

REPUBLIC OF KENYA



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REPORT

THE NATIONAL ASSEMBLY
PARLIAMENT BUILDING

DATE: 24 MAR 2022

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CLERK-AT THE-TABLE:	Tn20p

THE AUDITOR-GENERAL

ON

**KIPIPIRI TECHNICAL AND VOCATIONAL
COLLEGE**

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



KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2020**

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

KIPIPIRI TECHNICAL AND VOCATIONPNAL COLLEGE
 ANNUAL REPORT AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Kipipiri Technical and Vocational College is a public TVET institution under the ministry of Education and it is an integral part of the skills development system in the country. It 's mandate is derived from the TVET Act 2013 and it is responsible for offering skills development programmes to youth and adults in the technical, business and scientific fields in order to satisfy the needs of the national economy. Its construction started in 2014 under phase I which comprised of 60 TTIs through the government initiative to construct a TTI in each of the 290 constituencies. Kipipiri TVC is built on a 2.2 Hectares plot at Mawingo shopping centre along the Olkalou- Engineer road in a quiet environment conducive for learning.

(b) Principal Activities

The core objectives are:

- Provide adequate and appropriate skilled Artisans, Craftsmen, Technicians and Technologists at all levels of the economy through practical training and experience.
- To offer demand driven and market driven courses through collaboration with industries.
- Provide increased training opportunities for the increasing number of schools leavers to increase employability.
- Provide continuously upgrading of skills and knowledge at the pace and ability of the trainees.
- Provide a dynamic curriculum responsive to the manpower needs of a dynamic economy impart marketable skills, technical know-how and attitude that respond to contemporary labour market demands by the industry, informal sector and for self-employment.

Motto:

Empower with Skills and Technology.

Vision:

A leader in globally competitive training in technical, vocational, innovations and research.

Mission:

To provide globally competitive technical, vocational education and training in specialized skills and competencies for the local and international market.

Mandate:

To create, promote and continuously provide relevant and up-to-date technological skills required by an advancing industrial economy.

(c) Key Management

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

- Board of Governors.
- Principal

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Samuel Maina King'ori

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No.	Designation	Name
2.	Accounts Office	David Githinji Ndungu
3.	H.O.D Electrical	Virginia Wagaki Kamwaro
4.	H.O.D ICT	Mary Njeri Wangechi
5.	H.O.D Business	Harun Nderitu Karara

(e) Fiduciary Oversight Arrangements

The key fiduciary Oversight committees are:

I. Academic Committee

Members

- Alice Kanyua Kimemia – Chairman.
- Paul Ng’ang’a Muigai – B.O.G Member.
- Samuel Maina King’ori – Principal/B.O.G Secretary.
- Virginia Wagaki Kamwaro – H.O.D Electrical.
- Harun Nderitu Karara – H.O.D Business.
- Mary Njeri Wangechi– H.O.D I.C.T.
- James Munga Mwadzombo – Examinations officer.

II. Finance Committee

Members

- Arch Joel Odhiambo Oyuga – Chairman.
- Samuel Maina King’ori – Principal/B.O.G Secretary.
- Care Akumu Ambale - B.O.G Member.
- David Githinji Ndung’u – Accounts Assistant.

III. Audit Committee

Members

- Zachary Kariuki Nderitu – Chairman.
- Jayne Cindy Kavuha Sang’ore - B.O.G Member.

IV. B.O.G Executive committee

Member

- Joseph Kariuki Kamiri – Chairman.
- Samuel Maina King’ori – Principal/B.O.G Secretary.
- Sammy Milai – County Director, TVET.
- Arch Joel Odhiambo Oyuga – Chairman Finance Committee.
- Alice Kanyua Kimemia – Chairman Academic Committee.

(f) Entity Headquarters

P.O. Box 438- 20303
 MAWINGO SHOPPING CENTRE
 OLKALOU- ENGINEER ROAD
 OLKALOU, KENYA

(g) Entity Contacts

Telephone: (254) 722479775
 : (254) 727069870
 E-mail: kipipiritechnical2016@gmail.com

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(h) Entity Bankers

1. Equity Bank

OIKalou Branch, Kenya

Account Name: Kipipiri Technical and Vocational College

Account Number: 0620276272211

2. Co-operative Bank

OIKalou Branch, Kenya

Account 1 Name: Kipipiri Technical and Vocational College

Account Number: 01139467681000

Account 2 Name: Kipipiri Technical and Vocational College

Account Number: 01139467681001

(i) Independent Auditors

Auditor General

Office of Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(ii) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue



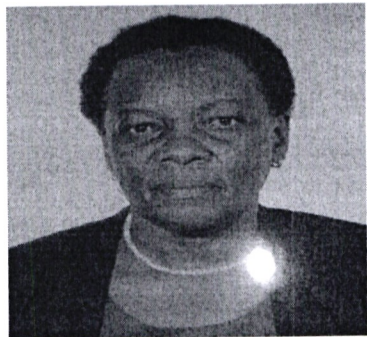

P.O. Box 40112

City Square 00200

Nairobi, Kenya





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(i) THE BOARD OF GOVERNORS

 <p>JOSEPH KARIUKI KAMIRI (B.O.G CHAIRMAN)</p>	<p>Date of birth: 1967 Date of appointment: 29th January 2018 Key qualification: MBA Marketing and Strategy UON Work experience: He has 28 years' experience in the insurance industry. He is currently the General Manager in charge of Strategy, Marketing and Distribution at CIC Insurance group. He has previously worked with UAP, APA and Britam insurance companies.</p>
 <p>SAMUEL MAINA KING'ORI (PRINCIPAL/B.O.G SECRETARY)</p>	<p>Date of birth: 1st January 1960 Date of appointment: 29th January 2018 Key qualification: Higher Diploma Diploma in Technical Education Work experience: over 35 Years in teaching</p>
 <p>JAYNE CINDY KAVUHA SONGOLE (BOG Member/ leadership and management).</p>	<p>Date of birth: 1st January 1958 Date of appointment: 29th January 2018 Key qualification: She holds a MSc. (Human Resource Management) from Victoria University of Manchester, England. She has 40 years' experience in teaching and consultancy in the public service, NGOs and UNICEF in and outside Kenya. She has retired from PSC where she was a leadership and governance expert</p>
 <p>CAREN AKUMU AMBALE (BOG Member/ Financial Management)</p>	<p>Date of birth: 9th December 1987 Date of appointment: 29th January 2018 Key qualification; She is a holder of Master of Economics (Policy and Management) from Kenyatta University. She has 9 years working experience in the banking industry. She is currently working at Consolidated Bank head office.</p>



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 <p>ARCH JOEL ODHIAMBO OYUGA (BOG Member/Technology)</p>	<p>Date of birth: 9th January 1982 Date of appointment: 29th January 2018 Key qualification: He holds a MSc (Construction Project Management) from JKUAT. He has 13 years' experience in both teaching and architectural designing. He is currently an Architect Partner at Synarc Systems Ltd.</p>
 <p>PAUL NG'ANG'A MUIGAI (BOG Member)</p>	<p>Date of birth: 7th August 1977 Date of appointment: 29th January 2018 Key qualification: He holds a BSc. (Agricultural Engineering) from JKUAT. He has 15 years working experience in teaching, drip irrigation, organic farming extension and consultancy in the private sector</p>
 <p>ZACHARY KARIUKI NDERTU(BOG Member)</p>	<p>Date of birth: 14th February 1986 Date of appointment: 29th January 2018 Key qualification: He holds a BSc (Computer Technology) from JKUAT He has 10 years of experience as a Systems Administrator, having worked with Interswitch Kenya for 4 years in the ATM operations and Support and currently with Tower Sacco Ltd among key responsibilities is LAN/WAN monitoring and maintenance.</p>
 <p>ALICE KANYUA KIMEMIA (BOG Member/ Industry)</p>	<p>Date of birth: 21st June 1958 Date of appointment: 29th January 2018 Key qualification: She holds an MBA (Human Resource Management) from Laikipia University. She has 40 years working experience in various sectors including teaching and management. She is currently the Manager/proprietor of Kobil Petrol Station, Subukia.</p>

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(ii) MANAGEMENT TEAM

 <p>SAMUEL MAINA KING'ORI (PRINCIPAL/B.O.G SECRETARY)</p>	<p>KEY QUALIFICATION: HIGHER DIPLOMA : DIPLOMA IN TECHNICAL EDUCATION WORK EXPERIENCE: 35 Years</p>
 <p>DAVID GITHINJI NDUNG'U (ACCOUNTS ASSISTANT)</p>	<p>KEY QUALIFICATION: CPAK : CS PART 1 WORK EXPERIENCE: 5 Years</p>

KIPIPIRI TECHNICAL AND VOCATIONNAL COLLEGE

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(iii) CHAIRMAN'S STATEMENT

Kenya today requires acceleration of her usage of specialized skills, knowledge and innovation to support and expand her economy.

Science and technology is a solution for sustainable development and a key drive in achieving the Big four agenda namely:

- Affordable Housing
- Food Security.
- Universal Health Care
- Manufacturing.

Kipipiri TVC intends to use ICT integration to fasten and improve service delivery as well as increasing the quality and diverse range of products offered.

Kipipiri TVC has positioned itself to empower young people by equipping them with the required scientific and technological knowledge, skills and attitudes that may accelerate their ability to produce common goods in a better way and also come up with new products that will go a long way in developing the social economic welfare of the people of Nyandarua county and Kenya in general.

Since inception, Kipipiri TVC has endeavored to improve its service delivery through teamwork, effective leadership and coordinated efforts in order to achieve a comparative advantage within an increasingly competitive educational sector.

The institution was registered by TVETA Authority as a public institution in 2016 and is offering market driven programs approved by TVETA and Examined by KNEC. More programs will be added in the near future as we anticipate actualizing Big Four Agenda.

Our collaboration with HELB has been fruitful since most of our students are from humble background.

We are indebted to the Ministry of education for continuous support in providing us with agricultural and building equipment.

Review of the Sector and Changes

During the year, we have witnessed a positive growth in student enrolment from 142 in year 2018/2019 to 178 in 2019/2020. This growth was attributed to reduction in fees payable as a result of Government Capitation approach to ensure affordable technical vocational training to every high school graduate who has not met the required threshold to join university education. This initiative of transition by the government has so far been successful, and the future looks quite bright indeed.

Risk Management

The technical training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training outcomes. KTVC has developed an enterprise risk management policy and framework to ensure that our activities are aligned with our strategic plan objectives. The Board of Governors regularly reviews risks identified - such as

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competition, information & communications technology and credit and operations; and how the risks involved can be mitigated by various risk owners.

Operation and Management

In the spirit to excel, we endeavour to be a centre of Excellence in scientific, technological, training and innovation so as to produce competent graduates who are capable of integrating the acquired skills in nation building in line with Vision 2030 and the Big4 Agenda (i.e. food security, affordable housing, universal health and manufacturing). To this end, KTVC has continuously participated in trade fairs (including the Annual Agricultural Show) whereby trainees have exhibited their patentable innovations in all of the Big 4 Agenda that have won them many trophies and meritorious accolades.

Challenges

The institute faced various challenges during year as outlined below:

- ❖ Funding, low enrolment attributed to low funding from the government and also there was no revenue earned in the third quarter due to effects of Covid 19 pandemic.
- ❖ Limited infrastructure hindering expansion
- ❖ Lack of accommodation within the institute

Outlook

I am indeed deeply indebted to the members of the Board of Governors for their unwavering support, commitment and futuristic outlook towards realising the institute's objectives in line with its strategic plan and core mandate of training market-driven technical manpower. Noteworthy is the Board's diverse qualifications and experience. I unreservedly assure all our Stakeholders we at KTVC, shall remain focussed, committed and consistent in the delivery of opportunities and accountably availing of resources to both trainers and trainees within the Government framework of accountability, corporate governance and ethical sustainability.

Lastly, I would like to whole-heartedly thank my fellow members of the Board of Governors, Management, Trainers, Trainees – and all other stake-holders for their co-operation, collaboration, continued support and commitment during this period under review.



Dr Joseph Kariuki Kamiri

CHAIRMAN, BOARD OF GOVERNORS

9th March, 2021.

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE

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(iv) REPORT OF THE PRINCIPAL

Kipipiri Technical and Vocational College is well placed to providing adequate and relevant training to her graduates that will enable them to contribute towards the attainment of our country's Vision 2030 strategic objectives. In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs in several ways that will ensure their competitiveness in terms of quality and relevance.

The first batch of students was admitted in September 2017. The enrolment has grown to 178 students as at 30th June 2020.

Kipipiri TVC has three academic departments as follows:

- Electrical and Electronic Engineering.
- Business Studies.
- Information Communication Technology.

Currently the college offers a number of courses at three levels examined by KNEC namely:

- Diploma
- Craft
- Artisan

Kipipiri TVC is establishing collaboration with industry so as to plan and implement programs that enables acquisition of appropriate knowledge, skills, values and attitudes required for the development of individuals and the entire nation.

The college plans to improve on its capacity and quality of services delivery through the implementation of performance contracting, strategic plan and Quality Management System.

Kipipiri TVC is accredited by Technical Vocational and Training authority (TVETA).

Kipipiri TVC introduced CBET courses in January 2020.

Major risks facing the organisation.

The institutes' major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include;

- i. Low student enrolment.
- ii. Student turnover
- iii. Inadequate student accommodation and support facilities
- iv. Delayed disbursement of capitation and HELB grants
- v. Staff turnover due to inability to retain them

Thank you.



Samuel Maina King'ori

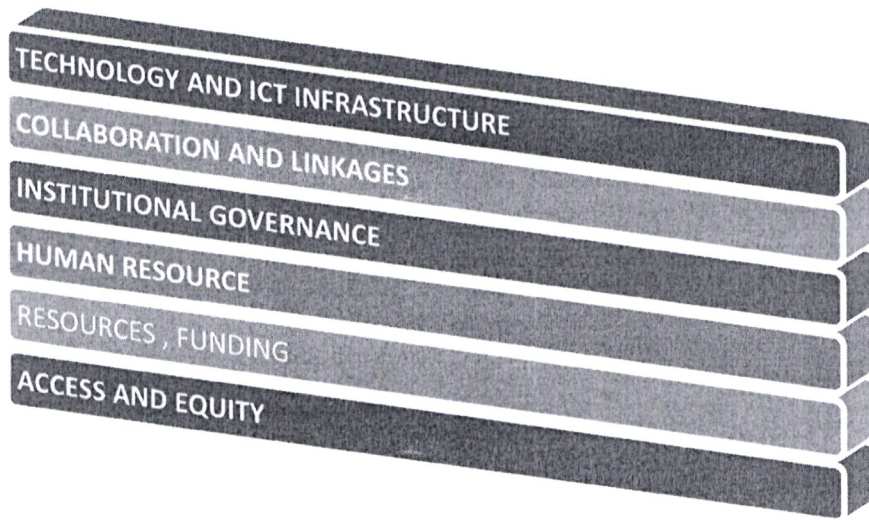
Principal/BOG Secretary

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REVIEW OF KIPIPIRI TECHNICAL AND VOCATIOPNAL COLLEGE’S PERFORMANCE FOR FY 2019/2020

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

Kipipiri Technical and Vocational College has 6 strategic pillars and objectives within its Strategic Plan for the FY 2016/2017- 2020/2021. These strategic pillars are as follows:



Kipipiri Technical Vocational College develops its annual work plans based on the above 6 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The *College* achieved its performance targets set for the FY 2019/2020 period for its 2 strategic pillars, as indicated in the diagram below:

STRATEGIC PILLAR	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: TECHNOLOGY AND ICT INFRASTRUCTURE	Promote effective application of ICT	<ul style="list-style-type: none"> ❖ Complete ICT infrastructures, ❖ Installation of Management Information System ❖ ICT courses 	<ul style="list-style-type: none"> ❖ Develop adequate ICT capacity and infrastructure ❖ Institutionalized Management Information System (MIS) ❖ Promote the use of ICT in Curriculum delivery and management systems 	ICT courses are being offered in the institution MIS is in the process of being installed

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	Enhance Equipment and Technology	❖ Institution incubator and use of modern equipment and Technology	❖ Develop institution incubator ❖ Promote use of modern equipment and Technology	To be implemented
Pillar 2: Competitiveness	Enhance competitiveness	❖ Increased students' numbers	❖ Strengthen existing competitiveness benchmarks ❖ Establish new competitiveness benchmarks	❖ Student numbers have continued to increase
Pillar 3: INSTITUTIONAL GOVERNANCE	❖ Improve institutional corporate governance ❖ Develop and Implement M&E Systems	❖ Constant review of courses offered ❖ Improved result based management in the training system ❖ Improved budget accuracy level	❖ Develop and implement institutional policies, strategies, and programmes (E.g. HIV/AIDS, Alcohol and drug abuse and health and safety, and environment) ❖ Embrace results based management in the training system ❖ Develop and implement M&E systems ❖ Fast track institutional expenditure review	❖ New courses being offered ❖ Improved budget accuracy
Pillar 4: HUMAN RESOURCE	❖ Harness Human resource	❖ Increased number of staff to match the increasing number of students	❖ Increase staff at TSC and BoG levels ❖ Develop competencies in staff	❖ New BoG staff have been employed

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	<ul style="list-style-type: none"> ❖ Improve and sustain relevance of skills 		<ul style="list-style-type: none"> ❖ Ensure quality and assurance standards ❖ Promote innovativeness in ST&I ❖ Establish the Center of excellence ❖ Improve the quality of work culture Strategy ❖ Encourage investment in the development and commercialization of TVET products and services including ICT 	
Pillar 5: FINANCIAL RESOURCES	<ul style="list-style-type: none"> ❖ Diversify sources and increase funding 	<ul style="list-style-type: none"> ❖ New development partners ❖ Enhanced existing partners' relationship ❖ Increase in government development funds 	<ul style="list-style-type: none"> ❖ Increase GoK funding ❖ Exploit external funding possibilities through developed criteria ❖ Expand income generation at institutional level 	<ul style="list-style-type: none"> ❖ There are development partners funding development projects. ❖ The institution continues to receive development funds from the government.
Pillar 6: ACCESS AND EQUITY	Enhance Access and equity	<ul style="list-style-type: none"> ❖ Improved training programmes in MSE sector. ❖ Expansion of facilities 	<ul style="list-style-type: none"> ❖ Expand facilities based on government priorities ❖ Support TVET trainees ❖ Promote affirmative action for TVET trainees ❖ Reform and enhance education, training, and guidance services. ❖ Improve training programmes in MSE sector. ❖ Offer higher level programmes 	<ul style="list-style-type: none"> ❖ Expansion of facilities achieved

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CORPORATE GOVERNANCE STATEMENT

Technical Training Institute is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens Board and management accountability and helps build public trust in the Institute.

The Board is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, science and technology to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Board serves as the ultimate decision making body of the Institute, except for those matters reserved to or shared with the Government of Kenya. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Institute in line with the Technical, Vocational, Education & Training Act of 2013 and the constitution of the Republic of Kenya.

The Board of Governors held seven Full Board meetings and nine subcommittee meetings in the financial 2019/2020. The current Board was appointed on 29th January 2018 for a term of three years ending 28th January 2021.

On expiry of the tenure of the current board the process of appointment of a new board of management is as laid out in the TVET act of 2013 shall be followed

There are four subcommittees of the board currently in place, namely; The key fiduciary Oversight committees are:

- i. Academic Committee with two BOG member, the principal and HODs
- ii. Finance Committee with two BOG members, the principal and finance officer
- iii. Audit Committee with two board members
- iv. B.O.G Executive committee with five board members

Under the TVET act of 2013, the functions of Board of Governors as set out under section 28 (1) shall include -

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions' strategic plan;

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- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions; (1) receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
- (l) Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the Board;
- (p) Providing for the welfare of the students and staff of the institutions;
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- (r) Discharging all other functions conferred upon it by this Act or any other written law.

The board in the period it has been in existence has endeavoured to discharge its functions independently with vigour and passion. Their diligence and prudent management of resources has been result oriented and much has been achieved during their term in office. They have been able to interpret government policies and TVET Act as well as other relevant laws in existence making the institution to move forward as we actualize the strategic plan. Moving forward, the Board is aligning its discharging of duties by improving on its operations while surpassing the set targets where possible. In the interest of quality service delivery, the board is able to read from the same script as the render their duties above board. This will be attained with the incorporation of team spirit and self-sacrifice that is deep within them.

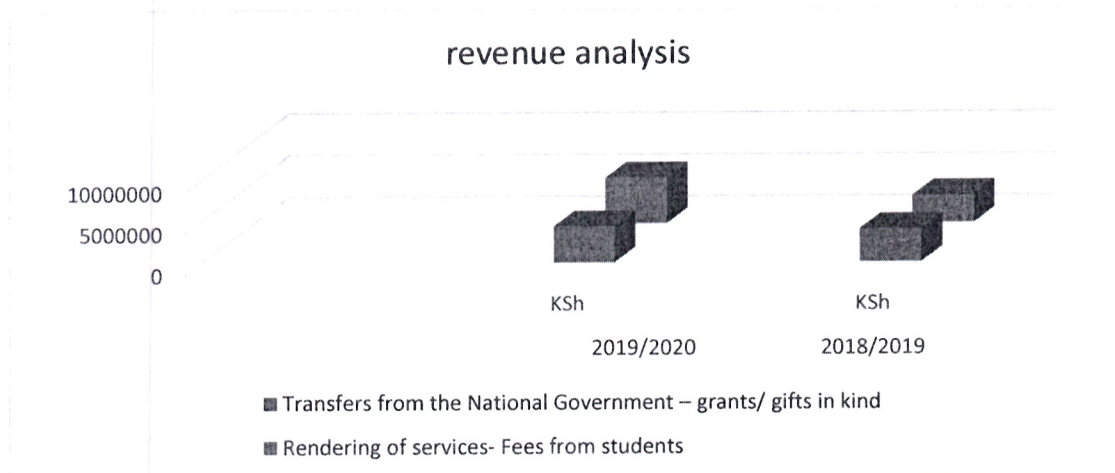
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MANAGEMENT DISCUSSION AND ANALYSIS

Kipipiri Technical and Vocational College operational and financial performance

During the year ended June 2020, the College had 178 students compared to 142 in year 2018/2019. Though the education sector was highly affected by the outbreak of Covid 19 in the world, the revenues increased. This was attributed to increased number of students.

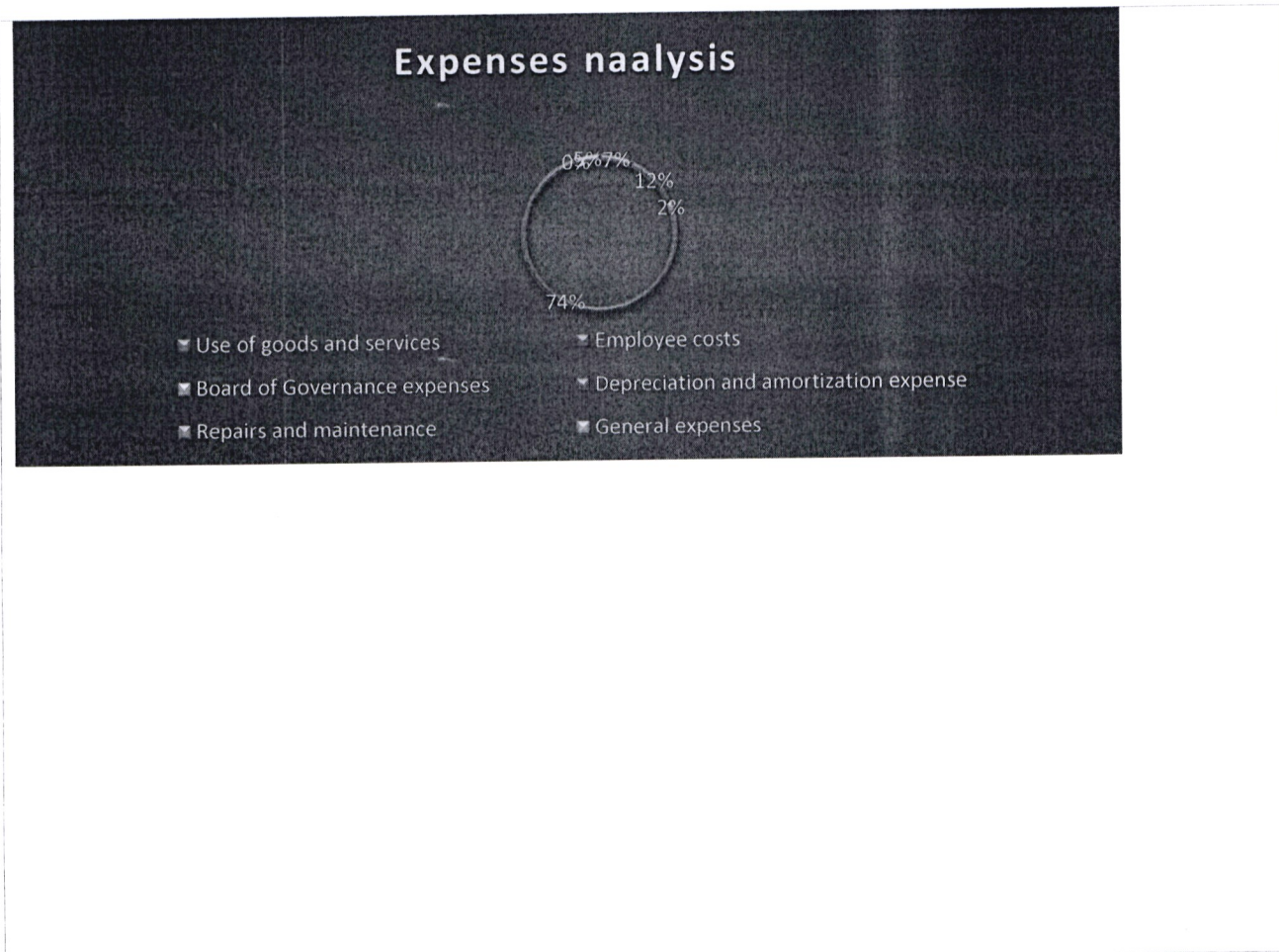
Below are the graphs and pie charts analysing the revenues and expenses of the institution.



The above graph shows that the government funding was higher in year 2018/2019 compared to 2019/2020 due to delayed capitation for quarter 3 and 4.

Rendering of services income increased in year 2019/2020 compared to 2018/2019 due to increased number of student.

The contribution of each expense as a percentage of total expenses is as shown below.



Kipipiri Technical Training Institute compliance with statutory requirements

Kipipiri Technical Training institute complies to deduction and remittance of statutory deductions such NHIF, NSSF and PAYE

Major risks facing the organisation.

The institutes’ major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include;

- vi. Low student enrolment.
- vii. Student turnover
- viii. Inadequate student accommodation and support facilities
- ix. Delayed disbursement of capitation and HELB grants
- x. Staff turnover due to inability to retain them

Key projects and investment decisions

The projects under consideration in the FY 2019/2020 are summarised in the table below

No key projects that are ongoing

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Kipipiri Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

The triple Bottom Line concepts analyses the sustainability of an organization based on three concepts: Profits, people (social) and Planet (environment).

Profit: The College has adopted a transformation strategy aimed at ensuring that she remains financially sound in the face of dwindling funding from the central government. The College have expanded it capacity for internally generated income like production of sanitizers and masks.

Social: the College has developed a succession management policy to address the welfare of employees in the future and ensure that the organization is sustainable in the future

Environment: The board of governance has plans to undertake an environmental sustainability audit and developed an environmental policy to address the issues of environmental sustainability that will be identified during the audit.

2. Employee welfare

At Kipipiri Technical and Vocational College, we value our employees and our many stakeholders, including the wider community where the training of our students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our College through community consultation process.

We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviors of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

Activity	Description
Better training	optimizing training operations to meet ongoing social and sustainability objectives. providing opportunities for us to grow as Institute by becoming involved in our local community.
Enhanced community	focusing on good urban design and empowered members for healthy, happy and resilient community.
Supported Staff	promoting initiatives that support staff and their families, beyond the provision of employment.

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promoting initiatives that recognize the contribution of the students to the community.

a) Policies guiding hiring process

The following are the Kipipiri Technical and Vocational College Board policies that guide hiring process;

S/no	Title	Review Period	Remarks
1	Career Progression	Regularly	Vacant positions are filled competitively both internally and externally. This largely depends on availability of funds
2	Human Resource Manual	Regularly	Terms and conditions of service governing employees are applied across the board without discrimination
3	Internship Policy and guidelines	Regularly	Intern positions are filled competitively and without discrimination
5	Gender Mainstreaming	Regularly	Kipipiri TVC observes equal employment opportunities during staff recruitment across all genders
6	Disability Mainstreaming	Regularly	The institute offers equal employment opportunities to officers living with disability. The institute also offers rights and privileges as provided in the PWDs Act and Board employment policies

3. Market place practices-

Responsible Supply Chain and Supplier relations

The institute has maintained good business practice by complying with the government policy and Section 227 of The Constitution of Kenya.

All procurement activities have continuously been carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure. The organization has maintained and continuously updated list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs. Kipipiri Technical and Vocational College has at all-time ensured responsible treatment of the suppliers in various ways as featured below;

- i) Ensuring proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- ii) Providing customer support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- iii) When doing procurement planning the institute has complied with preference and reservation requirements.

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- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

4. Community Engagements-

During the year under review, the institute carried out various CSR activities to impact the society like tree planting.

KIPIPIRI TECHNICAL AND VOCATIOPNAL COLLEGE
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REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with for the year ended June 30, 2020 which show the state of Kipipiri Technical and Vocational College affairs.

Principal activities

The principal activities of the entity are training and development of human resource in various fields

Results

The results of the Kipipiri TVC for the year ended June 30, 2020 are set out on page 1 to 20

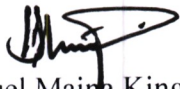
Board of governance

The members of the Board who served during the year are shown on pages vi and vii.
During the year none of our directors retired or was appointed into the board

Auditors

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

By Order of the Board



Samuel Maina Kingo'ri
Principal/BOG Secretary
Date:...10/03/2021

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STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

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

The Board of governors are responsible for the preparation and presentation of Kipipiri TVC financial statements, which give a true and fair view of the state of affairs of Kipipiri TVC for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Kipipiri TVC(v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of governors accept responsibility for Kipipiri TVC financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the TVET Act of 2013*). The board of governors are of the opinion that Kipipiri TVC financial statements give a true and fair view of the state of Kipipiri TVC transactions during the financial year ended June 30, 2020, and of Kipipiri TVC financial position as at that date. The Board of governors further confirm the completeness of the accounting records maintained for Kipipiri TVC, which have been relied upon in the preparation of Kipipiri TVC financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of governors to indicate that Kipipiri TVC will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Kipipiri TVC financial statements were approved by the Board on 10/03/ 2020 and signed on its behalf by:

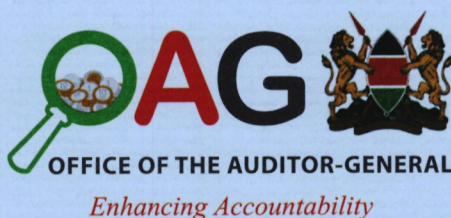
Board Member

Board Member

Board Member

REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Kipipiri Technical and Vocational College set out on pages 1 to 26, which comprise of the statement of financial position as at 30 June, 2020, and 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 period 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, because of the significance of the matters discussed in the Basis of Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Kipipiri Technical and Vocational College as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with Public Finance Management Act, 2012, the Technical and Vocational Education and the Training Act, 2013.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

The financial statements figures for eight (8) items the differs with the supporting with support schedules figures resulting to an unexplained variance of Kshs.7,569,000 as detailed below:

Details	Financial Statements	Amount as Per the Financial Statements	Amount as Per the Ledgers	Variance
	Note	Kshs.	Kshs.	Kshs.
Activity fees	9	252,590	235,100	17,490
Performance Contracting	9	336,300	317,300	19,000
Printing and stationery	9	334,090	353,090	(19,000)
Employee Costs	10	1,606,418	1,714,418	(108,000)
Repairs and Maintenance	13	0	34,500	(34,500)
Rendering Services - Fees from students	7	4,679,192	0	4,679,192
Receivables from exchange transactions	15	1,958,180	0	1,958,180
Trade payables from exchange transactions - Payments received in advance	17	1,056,638	0	1,056,638
Total		10,223,408	2,654,408	7,569,000

Consequently, the accuracy and completeness of the financial statements for the year ended 30 June, 2020 could not be confirmed.

2. Inaccurate Comparative Figures

The comparative figures in the financial statements for six (6) items differs from the previous year's audited figures resulting to a variance of totaling to Kshs.(72,213,123) as detailed below: -

Item	Financial Statements Kshs.	Audited Financial Statement 2018-2019	Variance Kshs.
Rendering of services	3,272,117	3,273,117	(1,000)
Cash and Cash Equivalent	1,674,045	1,675,605	(1,560)
Accumulated surplus	140,281,900	21,165,233	119,116,667
Capital grants	2,504,621	163,950,194	(161,445,573)
Development account (Note 20)	1,560	0	1,560
Donations in kind (Note 20)	133,584,783	163,468,000	29,883,217
Total	281,319,026	353,532,149	(72,213,123)

In the circumstance, the accuracy and completeness of the above comparative figures for the year ended 30 June, 2020 could not be confirmed.

3. Discrepancy in Notes to the Financial Statements

Note 17 to the financial statements as at 30 June, 2020 reflects trade and other payables from exchange transactions (fees paid in advance) amounting to Kshs.665,980 whereas Note 19 on liquidity risk management reflects fees paid in advance of Kshs.1,056,638 resulting to a variance of Kshs.390,658.

In the circumstance the accuracy and completeness of the fees paid in advance amounting to Kshs.665,980 as at 30 June, 2020 could not be confirmed.

4. Unsupported Property, Plant and Equipment Balance

Included in the property, plant and equipment balance of Kshs.133,584,783 and as disclosed in Note 16 to the financial statements are equipment, furniture and computer accessories donated by the Ministry of Education through China bilateral contract agreement dated 25 May, 2016. However, the assets have not been valued by a professional valuer and carry an estimated value of Kshs.80,000,000 in the books. Further, the property, plant and equipment includes a balance of Kshs.12,000,000 in respect of land value of whose ownership and valuation could not be established as the title deed and valuation report were not made available for audit review.

In the circumstances, the accuracy and fair statement of the property, plant and equipment balance of Kshs.133,584,783 as at 30 June, 2020 could not be confirmed.

5. Unsupported Bank Balances

The statement of financial position reflects bank balance of Kshs.3,026,976 for three (3) bank accounts as disclosed in Note 14 to the financial statements. However, the reported balances were not supported by bank reconciliation statements and cashbooks.

In the circumstances, the accuracy and completeness of the reported cash and cash equivalents balance of Kshs.3,026,976 as at 30 June, 2020 could not be confirmed.

6. Errors in Accumulated Surplus Balance

The statement of financial position reflects accumulated surplus balance of Kshs.3,928,518 as at 30 June, 2020. However, summation of the previous year closing deficit balance of Kshs.21,165,233 together with the actual deficit for the year of Kshs.17,273,221 reflected in the statement of financial performance results to an accumulated deficit of Kshs.38,438,454. The resultant variance of Kshs.42,366,972 has not been explained.

Consequently, the accuracy and completeness of accumulated surplus balance of Kshs.3,928,518 as at 30 June, 2020 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final total income budget and actual income on comparable basis of Kshs.41,003,600 and Kshs.9,043,496 respectively resulting to underfunding of Kshs.31,960,104 or 78%.

Similarly, from the actual income of Kshs.9,043,496, the college absorbed an amount of Kshs.7,619,599 resulting to an overall under-absorption of Kshs.1,423,897 or 16% of the budget.

The underfunding and under absorption affected on the planned activities which may have impacted negatively on service delivery for the College.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion sections and the Basis for conclusion on Lawfulness and Effectiveness in use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of the Financial Statements

The annual report and financial statements for year ended 30 June, 2020 were submitted on 06 November, 2020 one (1) month and six (6) days late. This is contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

Under the circumstances, the Fund was in breach of the law.

2. Errors in Annual Reports and Financial Statements

The financial statements for the year ended 30 June, 2020 presented for audit have the following errors: -

- i) The table of contents at page i omits report of the independent auditors on the entity.
- ii) Report of the principal at page x does not highlight key activities, successes or challenges achieved or faced during the reporting period.

- iii) Review of the Institution's performance at pages xi - xiii does not indicate specific achievements attained during the year against the set key performance indicators.
- iv) The corporate governance statement at page xiv does not disclose the attendance to board meetings held during the year under review or the board of governors' remuneration.
- v) The statement of financial position at page 3 is not signed by the chairperson and the finance officer.
- vi) Explanation on the statement of financial performance indicates that notes are set out on pages 6 to 20 instead of pages 8 to 23. Similarly, explanation on the statement of financial position indicates that financial statements are set out on pages 1 to 20 instead of pages 1 to 23.
- vii) Pagination flow in the report is inconsistent as pages 3 and 7 are omitted.
- viii) Appendix III on Inter Entity Transfers at page 29 has not been signed by the Head of Accounting Unit.
- ix) The statement of changes in net assets at page 4 does not disclose the opening balances as at 1 July, 2019 as per the prescribed format by the Public Sector Accounting Standards Board.
- x) Wrong reporting dates are indicated for property, plant and equipment in the asset movement schedule at page 19.
- xi) Appendix IV on list of fixed assets donated by the ministry has no values attached.

Consequently, the financial statements do not conform to the format prescribed by the Public Sector Accounting Standard Board (PSASB) in accordance with section 194(1)(d) of the Public Finance Management Act, 2012.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my

report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for conclusion

Weak Information Technology (IT) Internal Controls

In the year under audit, the College had not established an IT strategic plan as well as IT security policy to provide governance on information technology matters including policies on IT continuity plan, subsequently the critical data/information may not be recovered in case a disaster occurs.

Under the circumstances the adequacy and effectiveness of the IT risk management strategies and controls and processes put in place could not be established.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 February, 2022

KIPIPIRI TECHNICAL AND VOCATIOPNAL COLLEGE
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 FOR THE YEAR ENDED 30 JUNE 2020

IV. STATEMENT OF FINANCIAL PERFORMANC FOR THE YEAR ENDED 30 JUNE 2020

	Notes	12 MONHTS 30-Jun-20 KSh	15 MONHTS 30-Jun-19 KSh
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	4,364,192	3,795,000
Total Revenue from non-exchange transactions		4,364,192	3,795,000
Revenue from exchange transactions			
Rendering of services- Fees from students	7	4,679,304	3,272,117
Other income	8	-	100,000
Revenue from exchange transactions		4,679,304	3,372,117
Total revenue		9,043,496	7,167,117
Expenses			
Use of goods and services	9	5,358,681	2,480,575
Employee costs	10	1,714,418	1,460,350
Board of Governance expenses	11	512,000	1,157,975
Depreciation and amortization expense	12	18,697,118	23,186,100
Repairs and maintenance	13	34,500	48,350
Total expenses		26,316,717	28,333,350
Net Deficit for the period		(17,273,221)	(21,166,233)

The notes set out on pages' 6 to 20 form an integral part of the Annual Financial Statements.

KIPIPIRI TECHNICAL AND VOCATIOPNAL COLLEGE
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V. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2019/2020	2018/2019
		KSh	KSh
Assets			
Current assets			
Cash and cash equivalents	14	3,026,976	1,675,605
Receivables from exchange transactions	15	1,958,180	1,257,752
Total Current Assets		4,985,156	2,933,357
Non-current assets			
Property, plant and equipment	16	133,584,783	140,281,900
Total Non-current Assets		133,584,783	140,281,900
Total assets		138,569,939	143,215,257
Liabilities			
Current liabilities			
Payments received in advance	17	1,056,638	428,736
Total Current Liabilities		1,056,638	428,736
Total liabilities		1,056,638	428,736
Reserves			
Accumulated surplus		3,928,518	140,281,900
Capital grants		133,584,783	2,504,621
Total Capital and Reserves		137,513,301	142,786,521
Total Liabilities and Reserves		138,569,939	143,215,257

The Financial Statements set out on pages 1 to 20 were signed on behalf of the Institute Board of Governors by:

KIPIPIRI TECHNICAL AND VOCATIOPNAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Chairman Board of Governors

Date.....

Finance Officer

ICPAK No

Date.....


Principal

Date: 10/03/2021

KIPIRI TECHNICAL AND VOCATIONNAL COLLEGE
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VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated surplus	Capital Grants	Total
At start of year as previously stated	-	-	-
Capital grants (fixed assets)	-	163,950,194	163,950,194
At start of year as restated	-	163,950,194	163,950,194
Total comprehensive income	(21,166,233)	-	(21,166,233)
At end of year	(21,166,233)	163,950,194	142,783,961
At start of year as previously stated		163,950,194	142,783,961
Prior year adjustments:			
Transfer of depreciation from accumulated surplus to capital grants	23,186,100	(23,186,100)	-
Adjustment to accumulated surplus wrongly passed to capital grants in prior year	482,194	(482,194)	-
Understatement of rendering of services income	1,000	-	1,000
Development bank balance not recognised	1,560	-	1,560
At start of year as restated	2,504,621	140,281,900	142,786,521
Capital donation - land		12,000,000	12,000,000
Total comprehensive income	(17,273,221)	-	(17,273,221)
Transfer of depreciation from capital fund to retained earnings	18,697,118	(18,697,118)	-
At end of year	3,928,518	133,584,783	137,513,301

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 ANNUAL REPORT AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2018/2019 KSh	2019/2020 KSh
Cash flows from operating activities			
Receipts			
Transfers from other Government entities		4,364,192	3,795,000
other income (amount banked to open Development account)			1,560
Rendering of services- Fees from students		4,679,304	3,272,117
Other income, rentals and agency fees		-	100,000
Increase in debtors		(700,428)	(1,257,752)
Increase in prepayments		627,902	911,930
Total Receipts		8,970,970	6,822,855
Payments			
Compensation of employees		1,714,418	1,460,350
Use of goods and services		5,358,681	2,480,575
Repairs and maintenance		34,500	48,350
Board of Governance expenses		512,000	1,157,975
Total Payments		7,619,599	5,147,250
Net cash flows from operating activities		1,351,371	1,675,605
Net increase in cash and cash equivalents		1,351,371	1,675,605
Cash and cash equivalents at start of the year		1,675,605	-
Cash and cash equivalents at 30 June		3,026,976	1,675,605

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

	Final budget 2019-2020 Kshs	Actual on comparable basis 2019-2020 Kshs	Performance difference 2019-2020 Kshs	Explanation for variance
Revenue				
Transfers from Government entities - Operation	17,400,000	4,364,192	13,035,808	The reduction on the expected government funding was attributed to low enrolment due to effect of Covid 19 pandemic. Also the government did not release capitation for Q4 since the schools were closed.
Transfers from Government Development grants	18,800,000	-	18,800,000	There no funds received from government for development due to Covid 19 which left all schools closed.
Rendering of services- Fees from students	4,755,600	4,679,304	76,296	
Other income	48,000	-	48,000	
Total income	41,003,600	9,043,496	31,960,104	
Operating expenses				
Compensation of employees	2,670,000	1,714,418	955,582	The actual reduced because most of the contracts were not renewed due to closure of schools during covid.
Use of Goods and services	7,969,600	5,358,681	2,610,919	The actual use of goods and services expenses are less than budgeted because the schools was closed for four months to year end.
Remuneration of directors	883,000	512,000	371,000	Fewer meeting than planned were held due to covid 19
Repairs and maintenance	270,000	34,500	235,500	
Total operation expenditure	11,792,600	7,619,599	4,173,001	

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Capital expenditure	29,211,000	-	29,211,000	Since no development funds received and the anticipated revenue was lower than budgeted, there were no capital expenditure incurred
Total expenditure	41,003,600	7,619,599	33,384,001	
Non-cash expenses - depreciation	-	18,697,118	-	
Surplus/Deficit for the period	29,211,000	(17,273,221)	27,787,103	

IX. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kipipiri 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 offer technical skills and knowledge.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

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

The financial statements have been prepared in accordance with the PFM Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
<p>IPSAS 40: Public Sector Combinations</p>	<p>Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. There is no impact of the IPSAS 40 to the institute</p>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(There is no impact of the standard to the entity)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p><i>(There is no impact of the standard to the entity)</i></p>
<p>Amendments to Other IPSAS</p>	<p>Applicable: 1st January 2022:</p>

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Standard	Effective date and impact:
resulting from IPSAS 41, Financial Instruments	<ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

iii. Early adoption of standards

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees

The entity recognizes student capitation as other government grants when they are received.

Other non-exchange revenues are also recognized as government conditional or non-conditional grants when they are transferred to the entity's bank account.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

Recurrent grants are recognized in the statement of comprehensive income.

Development/capital grants are recognized in the statement of changes in net assets and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

b) Budget information

The original budget for FY 2019/2020 was approved by the Board on 23rd November 2019.

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

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

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 13 of Financial Provisions of TVET ACT No. 29 of 2013 of these financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Property, plant and equipment

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

Land is no depreciated.

Depreciation on all other assets is calculated on the reducing balance basis method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Buildings	2
Plant and machinery	20
Motor vehicles	25
Library books	10
Furniture and fittings	12.5
Computer equipment	30

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of changes in equity.

d) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives which are estimated to be 5 years.

e) Nature and purpose of reserves

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a. Accumulated surpluses

This relates to surpluses brought forward and the one for the current years.

b. Capital grants

This relates to fixed assets granted by the government or any other donor.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Employee benefits

Retirement benefit plans

The institution and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The institution's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

g) Related parties

Kipipiri 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 Institution, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Principal, Head of Finance and Head of Procurement.

The government of Kenya through the ministry of education is also related party to the Kipipiri TVC.

h) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

i) Biological assets

The biological assets are recognized at their fair values less estimated point-of-sale costs. The fair value is determined based on market prices.

j) 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, 2020.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Kipipiri 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.

The board of Governance made only one significant judgment in preparing these financial statements.

Useful lives and residual values

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

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

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6. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Operational grant	3,569,192	3,000,000
Capitation	795,000	795,000
	4,364,192	3,795,000

7. RENDERING OF SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Tuition fees	4,679,304	3,273,117
Total revenue from the rendering of services	4,679,304	3,273,117

8. OTHER INCOME

Description	2019-2020	2018-2019
	KShs	KShs
Hire of facility	-	100,000
Total	-	100,000

9. USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Electricity and Water	272,445	170,300
SES	19,000	-
Subscriptions	119,200	182,800
Activity fee	252,590	261,200
Examination & teaching materials	1,228,840	-
Admin fees	417,630	218,200
Internet	21,996	-
Security charges	361,500	495,000
Printing and stationery	334,090	165,850
Fines and penalties	-	10,000
Bank charges	12,840	13,175
Contingencies	113,260	21,650
Performance contract	336,300	128,400
Marketing expenses	76,000	-
Newspapers	24,240	-

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Insurance	6,000	-
Post box rental fee	-	7,800
Conference	55,000	-
Travel, motor car, accommodation, subsistence and other allowances	656,400	543,800
Recruitment	677,350	223,400
Seminars and trainings	218,600	39,000
Consultancy fees	155,400	-
Total good and services	5,358,681	2,480,575

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE COSTS

	2019-2020	2018-2019
	KShs	KShs
Salaries and wages	1,714,418	1,460,350
Total Employee costs	1,714,418	1,460,350

11. REMUNERATION OF DIRECTORS

Description	2019-2020	2018-2019
	KShs	KShs
Board of governance allowances	512,000	1,157,975
Total board of governance allowances	512,000	1,157,975

12. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	18,697,118	23,186,100
Total depreciation and amortization	18,697,118	23,186,100

13. REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	KShs	KShs
Property	34,500	48,350
Total repairs and maintenance	34,500	48,350

14. CASH AND CASH EQUIVALENTS

Description	2019-2020	2018-2019
	KShs	KShs
Current account	3,025,416	1,674,045
Development account	1560	1,560
Total cash and cash equivalents	3,026,976	1,675,605

14 (a) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2019-2020	2018-2019
		KShs	KShs

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a) Current account			
Co-operative Bank	01139467681000	2,114,988	1,033,026
Equity Bank	0620276272211	910,428	641,019
b) Development			
Co-operative Bank	01139467681001	1560	1,560
Sub- total		3,026,976	1,675,605

15. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Student debtors	1,958,180	1,257,752
Total current receivables	1,958,180	1,257,752

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Land	Furniture and fittings	Computers	Plant and equipment	Total
	2%		12.5%	30%	20%	
Cost	KSh	KSh	KSh	KSh	KSh	KSh
At 30th June 2019	53,000,000		2,500,000	2,200,000	105,768,000	163,468,000
Additions	-	-	-	-	-	-
Transfer/adjustments	-	12,000,000	-	-	-	12,000,000
As at 30th June 2020	53,000,000	12,000,000	2,500,000	2,200,000	105,768,000	175,468,000
Depreciation and impairment						-
At 30th June 2019	1,060,000	-	312,500	660,000	21,153,600	23,186,100
Depreciation	1,038,800	-	273,438	462,000	16,922,880	18,697,118
At 30th June 2020	2,098,800	-	585,938	1,122,000	38,076,480	41,883,218
Net book values						
At 30th June 2020	50,901,200	12,000,000	1,914,063	1,078,000	67,691,520	133,584,783
At 30th June 2019	51,940,000	-	2,187,500	1,540,000	84,614,400	140,281,900

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Fees paid in advance	665,980	428,736
Unpresented receipts	390,658	-
Total trade and other payables	1,056,638	428,736

18. FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks including credit and liquidity risks. The entity'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 entity does not hedge any risks.

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.

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 institution'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:

	Total amount Kshs	Fully performing Kshs	Past due Kshs
At 30 June 2019			
Receivables from exchange transactions	1,257,752	-	1,257,752
Bank balances	1,675,605	1,675,605	-
Total	2,933,357	1,675,605	1,257,752
At 30 June 2020			
Receivables from exchange transactions	1,958,180		1,958,180
Bank balances	3,026,976	3,026,976	
Total	4,985,156	3,026,976	1,958,180

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 institute potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from students

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. FINANCIAL RISK MANAGEMENT (continued)

(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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2019				
Fees paid in advance		428,736		428,736
Total		428,736		428,736
At 30 June 2020				
Fees paid in advance		1,056,638		1,056,638
Total		1,056,638		1,056,638

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

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

	2019/2020	2018/2019
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Government	3,569,192	3,000,000
Capitation	795,000	795,000
Donations in kind	133,584,783	133,584,783
Total	137,948,975	137,379,783
b) Key management compensation		
BOG reimbursement	512,000	1,157,975
Total	512,000	1,157,975

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. EVENTS AFTER THE REPORTING PERIOD

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

22. ULTIMATE AND HOLDING ENTITY

The entity is a State Corporation under the Ministry of education. Its ultimate parent is the Government of Kenya.

23. CURRENCY

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

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe:
1.1	The cover page is not properly presented as the word accrual is repeated and placed immediately after (IPSAS).	This was amended	David Ndungu (Finance officer)	Resolved	N/A
1.2	The header on all the pages is not properly formatted in conformity with the prescribed financial reporting template.	This was amended	David Ndungu (Finance officer)	Resolved	N/A
1.3	Page numbers have been placed on the extreme left instead of the middle of the page	This was amended	David Ndungu (Finance officer)	Resolved	N/A
1.4	The statement of board of governors responsibilities refers to the College as an entity.	This was amended	David Ndungu (Finance officer)	Resolved	N/A
1.5	The financial statements and notes have been numbered I, II, III, IV and V which is contrary to the presentation prescribed by the financial reporting template.	This was amended	David Ndungu (Finance officer)	Resolved	N/A
1.6	The statement of changes in net assets indicates total amounts at end of period instead of at 30 June 2019	This was amended	David Ndungu (Finance officer)	Resolved	N/A
1.7	The statement of comparison of budget and actual amounts reads	This was amended	David Ndungu	Resolved	N/A

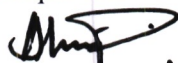
KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe:
	statement of comparison of budget Vs actual amounts which is contrary to the financial reporting template.		(Finance officer)		
1.8	The general information under the notes to financial statements has made references to several statutes but no indication of the years they relate to.	This was amended	David Ndungu (Finance officer)	Resolved	N/A
1.9	Appendix: II on Inter- Entity Transfers has not been signed by the Head of Accounting Unit of the Ministry of Education.	This was amended	David Ndungu (Finance officer)	Resolved	N/A
1.10	No comparative column has been provided in the financial statements as required by the financial reporting template although no transactions were previously recorded.	This was amended	David Ndungu (Finance officer)	Resolved	N/A
2.1	Variances Between Statement of Financial Performance and Supporting Schedules	These variances were resolved	David Ndungu (Finance officer)	Resolved	N/A
3	Unsupported Cash and Cash Equivalent	These variances were resolved	David Ndungu (Finance officer)	Resolved	N/A
4.1	Unsupported Donated Equipment	We are following up with the parent ministry to obtain the cost	James Chege (Accounting officer)	Not resolved	30 June 2021
4.2	Doubtful Land Ownership	We are in the process of obtaining the title deed	James Chege (Accounting officer)	Not resolved	30 June 2021
5	Variance Between Statement of Financial Performance and Disbursed Grant	These variances were resolved	David Ndungu (Finance officer)	Resolved	N/A
6	Revenue Budget Analysis - unexplained shortfall of Kshs.1,294,883 or 15% of the budget	This was explained and there is no unexplained	David Ndungu (Finance officer)	Resolved	N/A

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe:
		shortfall in year 2019/2020			
8.1	Lack of Risk Management Policy	This policy has been developed	James Chege (Accounting officer)	resolved	N/A
8.2	Lack of Internal Audit Function and Audit Committee	The Internal audit function committee of the board was formed as indicated under entity information	James Chege (Accounting officer)	resolved	N/A

James Chege
Principal KTVC



Date... 10/03/2021

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

APPENDIX II CAPITAL EXPENDITURE BUDGETED

Project name			Budgeted Amount (Kshs.)
Academics(ACAD)			
Renovation of old Tuition Block	350,000		1,800,000
Lecture chairs	600,000		600,000
Technical drawing tables	250,000		250,000
Technical Drawing stool			80,000
Electrical installation workshop equipment	300,000		1,000,000
Library books	1,000,000		1,700,000
Library detector exit door			150,000
Library equipment and furniture	1,570,800		2,000,000
CCTV Installation			1,200,000
Internet connectivity			1,200,000
ICT stools and tables			280,000
Teaching materials	350,000	100,000	896,000
Sub-total expenses	4,420,800	100,000	11,156,000
Administration(ADM)			
Office mobile phone			10,000
Digital Camera			30,000
Management Information System (MIS)			1,500,000
Office reinforcement			80,000
Office furniture			200,000
Water dispenser	30,000		60,000
Staff uniform and equipment	30,000		45,000
Sub-total expenses	60,000		1,925,000
Others Development Expenditures(ODE)			

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Plastic water tank (10,000 Litres)	30,000		30,000
Marketing and advertisements	250,000	40,000	400,000
Games/Sports Uniforms & Equipment	214,200		600,000
Completion of institute perimeter fence	300,000		300,000
Sub-total expenses	794,200	40,000	1,330,000
Driving School Project(DSP)			
2 Driving cars @ Kshs. 2,000,000			4,000,000
Driving truck @ Kshs. 4,400,000			4,400,000
2 Motor cycles @ Kshs. 100,000			200,000
Office and classroom block			5,000,000
Lecture chairs 30 pcs@ Kshs.3,000			90,000
Modern city board with road signs			20,000
Desktop computer			50,000
1 printer			40,000
2 instructors @ Kshs. 20,000 for 12 months			480,000
Office table			40,000
2 Executive chairs@ Kshs.25,000			50,000
Motor vehicle insurance			430,000
Sub-total expenses			14,800,000
TOTAL NON RECURRENT EXPENDITURE	5,275,000	140,000	29,211,000

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APPENDIX III: INTER-ENTITY TRANSFERS

	Kipipiri TTI			
	Break down of Transfers from the State Department of Vocational and Technical Training			
	FY 2019/20			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY to which the amounts relate</u>
	MOE -Grants	17/7/2019	454,192	FY 2019/20
	MOE-Grants	27/4/2020	1,000,000	FY 2019/20
	MOE -Capitation	10/7/2019	795,000	FY 2019/20
	MOE -Capitation	18/10/2019	1,020,000	FY 2019/20
	MOE-Capitation	6/5/2020	1,095,000	FY 2019/20
		Total	4,364,192	

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


Finance Officer

Kipipiri Technical and Vocational College

Date 10/03/21

Head of Accounting Unit

Ministry of Education

Date-----

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

APPENDIX IV: LIST OF FIXED ASSETS DONATED BY THE MINISTRY (Land is yet to be valued)

ITEM	QUANTITY
Land and buildings	
Land	2.2 Ha
Office and classroom block	1
Old College building	1
Workshop Equipment	
Computer (Lenovo)	16
Projectors	6
Projector screen	6
Stools 100 pcs	100
Motors AC/DC/ZM 14 13-A	50
Power supply module	25
Fluorescent light module W011	20
AC Vohmeter, Power factor Meter, Active power meter module 10022B	20
3Q 4wire Active energy watt HR Meter W014B	20
Electrical Technology Training Device QSDG - DZI	20
Electronic Assembly Teaching and Experiment table - QSCY - DZI	4
Furniture	
Conference table 4.8m	1
High back leather seat	1
Executive Desk	1
High back mesh	10
Cabinet	1
Visitors chairs	6
3 Drawer Fire proof safe	1
4 Drawer Filing Cabinet	1
Computer table	1
Staffroom Writing tables	10
Teachers desk with drawers	10
Classroom training chairs	80
ICT EQUIPMENT	
Desktop computers	20
Laptop computers	3
Uninterruptable Power Supply(UPS)	20
Projectors	2
Printers	3
Projector screen	2
Computer speakers	20