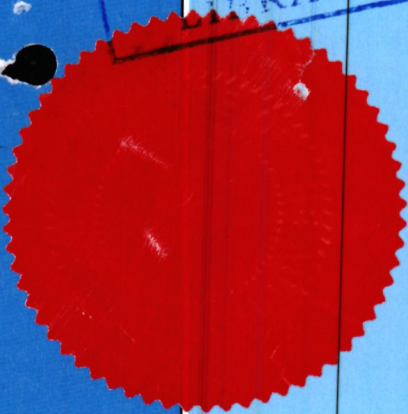



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REPORT

OF

THE AUDITOR-GENERAL

ON

**RUNYENJES TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2019**



RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE.



ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2019**

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

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 TH 2019

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I. RUNYENJES TVC INFORMATION AND MANAGEMENT

(a) Background information

Runyenjes technical and vocational college was established in 2017, to provide technical and vocational education and training in accordance with TVET act 2013(Section 26)

The institution opened its gates for student's admission in 2018 and it is providing technical education in areas of Electrical Engineering, Information Communication Technology, Building and Civil Engineering Technology, Agriculture, Social Work and other Business Courses.

(b) Principal Activities

Our mission is to provide Technical and vocational education and training for producing competent graduates that can develop rapidly in there specialized fields.

The institution motto is empowering through skills and technology.

(c) Key Management

Runyenjes TVC day-to-day management is under the following key organs:

- Board of Governor.
- Accounting officer/ Principal
- Heads of Departments
- Accounts clerk

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Elizabeth K Laichena
2.	Account clerk	Sammy Mwangangi

RUNYENJES TECHNICAL AND VOCATINAL COLLEGE
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(e) RUNYENJES TVC Headquarters

P.O. Box 239-60103
Runyenjes.
About 1km off Karurumo market

(f) RUNYENJES TVC Contacts

Telephone : (254) 797210054
E-mail: runyenjestti@gmail.com
Website: www.runyenjesttechnical.ac.ke

(g) RUNYENJES TVC Bankers

Equity Bank,
P.O. Box 1994
Embu- Branch

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
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II. BOARD OF GOVERNORS

PHOTO NAME OF THE BOG	DATE OF BIRTH, PROFESSIONAL & ACADEMIC QUALIFICATION & EXPERIENCE
 <p>JIMMY MWANIKI GAKUVA</p>	<p>He is the current Chairman to Board of Governance at Runyenjes Technical and Vocational College. He was born on 04/01/1965. He has achieved a lot through his academic and profession background having pursued Bachelor's degree in Business Administration at Kenya Methodist University. He has also achieved the following certificates: Primary School Management Certificate- Ministry of Education and Primary Teachers Certificate- Eregi Teachers College. He served as the Education Secretary- ACK Diocese of Embu, he has also acted as a head teacher to various secondary schools, National Director- Campsites & training centres among other major roles he has played.</p>
 <p>ELIZABETH .K. LAICHENA</p>	<p>She is the Principal and Secretary to the Board of Runyenjes Technical and Vocational College. She was born in 1968. She holds a master's degree in Business Administration (Finance & Accounting) from Kenyatta University, Bachelor of Education from Moi University, has completed Ph.D. course work and working on Thesis at Kenya Methodist University, CPA (Section 2), Done senior management course (SMC), Strategic Leadership Programme (SLDP), Diploma in Educational Management, Kenya Advanced Certificate of Education- Chogoria Girls, Kenya Certificate of Education- Kanjalu Girls, Certificate of Primary Education. Attended several workshops on financial managements, ,procurement procedures, Auditing, human resouse management among others She has played a major role in all the departments she has been working up to date where she holds the position of the principal. Before becoming the principal at this institution, she has taught under TSC in various secondary schools and Meru national Polytechnic and also a lecturer to various institutions among other duties and responsibilities.</p>
 <p>BRENDAN KAPPS WALIAULA</p>	<p>He is a Current Member of Board of Governance at Runyenjes Technical and Vocational college. In the category of Financial management. Was born on 6/8/1966. Holds a Bachelors degree of commerce. Associate banking Diploma of Kenya, CPA part 11. He has worked with Cooperative Bank of Kenya ltd as a Head Office Manager. To date he is Private consultant in credit, risk and financial management.</p>

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
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 <p>STANLEY M NYAGA</p>	<p>He is a Current Member of Board of Governors at Runyenjes Technical and Vocational college. Was born in the year 24/12/1970. Has done degree in Counselling and Psychology, community health and theology. Currently he is a Reverend working with Anglican Church Of Kenya Diocese of Mbeere. He also offers guidance and counselling in Public and private sectors.</p>
 <p>JANE WANGUI MACHARIA</p>	<p>She is a Current Member of Board of Governors at Runyenjes Technical and Vocational college. Was born on 5/5/1968. Holder of a master degree in Geography information system (GIS) 2016, Bachelor of science in computer information system, diploma in Geo-informatics, Diploma in Cartographer. Has worked as a cartographer with different surveyors firm for six years. Currently working with Research Organisation-world Agroforestry(ICRAF)</p>
 <p>PRISCILLAH NDUNGO</p>	<p>She is a Member of Board of Governors at Runyenjes Technical and Vocational college. Was born on 24/1/1994. She holds a holder of Bachelor degree in Law. Has worked with Muli Mwaniki &Wamiti Advocate during intern, as Advocate pupil/Trainee Advocate.</p>
 <p>SAMUEL M GACHIE</p>	<p>He is a Current Member of Board of Governors at Runyenjes Technical and Vocational college. He was born on 1/8/1969. Has under taken the following: MBA (MIS specialization) University of Nairobi, B.A. University of Nairobi. , Diploma in Marketing – Kenya College of Management, Diploma In Computer Programming – Intellect Computer Services and Certificate In Field Research – The Harvard University. Currently he is working with Nanyuki Municipality Jua Kali Association: Spear heading the establishment of Laikipia Engineering and Business Incubation Centre (Leabic Ltd). To provide incubation facilities for TVET graduates before they can establish own workshops</p>
<p>PETER KAUME</p>	<p>He is a Current Member of Board of Governors and the County Director of TVET</p>

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
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JOSECK NJAGI MURAGARA



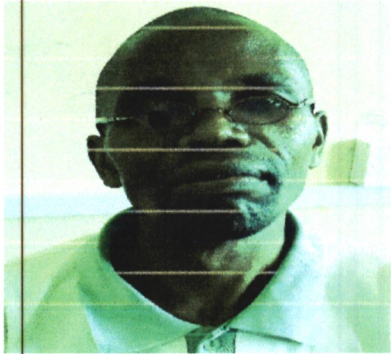
He is a Current Member of Board of Governors at Runyenjes Technical and Vocational college.
Was born on 18/12/1955.
Holder of M.Sc. (civil Engineering) Zaporozhe University (USSR) 1984.has extensive experience in Civil Engineering works and management skills.

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III. MANAGEMENT TEAM

Name of the Staff		Responsibility
Elizabeth K Laichena		Principal/Accounting Officer
Philip Mutisya		Deputy principal
Sammy Mwangangi		Account clerk

RUNYENJES TECHNICAL AND VOCATINAL COLLEGE
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<p>Mary Murugi</p>		<p>Administrative Secretary</p>
<p>Faith G Liburu</p>		<p>Ag. Dean of Student</p>
<p>Juliano Muriuki Njeru</p>		<p>Ag. Registrar/Examination officer</p>

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
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<p>Mbeti Antony Njagi</p>		<p>Ag. Head of Department(Electrical)</p>
<p>Jane Wanjiku Mukundi</p>		<p>Ag. Head of Department(Business)</p>
<p>Samuel Muriuki</p>		<p>Ag. Head of Department(Masonry)</p>
<p>Peter Bett</p>		<p>Ag. Head of Department(Agriculture)</p>

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
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IV. CHAIRMAN'S STATEMENT

I am pleased to present the annual report and financial statement of Runyenjes Technical & Vocational College for the year ended 30th June 2019

The demand for TVET programmes in the country has continued to rise prompting the institution to continually introduce academic programme that respond to the demand of the market. The objective of the board is to position the college main programmes within the context of the market requirements, cost rationalisation and to oversight the operations and financial management of the college.

During the financial 2018 - 2019 period, key achievements were realized, these are

- Recruitment of Trainers for PSC (August & May)
- BOG Meetings (Committees & Full Board)
- KNEC Exams (July and November series)
- Visit by the deputy president
- Internal recruitment of administrative assistant, account clerk and trainers
- Construction of a temporary masonry workshop
- Purchase of furniture
- Partial bore drilling
- Establish and Strengthened collaboration and liaison with key local industries where the college can attach its trainees.
- Established collaboration with the sister institutions.
- Participated in various KATTI activities at both the regional and national levels.
- Strengthen marketing strategies which have prompted population growth.

During this 2018-2019 financial year, financial commitment was geared towards establishment academic structures, policies, implementation of the College strategic plan which has sets out the process and timeframe of putting up various structures suited to give support to academic programmes being the core function of the institution.

I am proud to note that most of the goals set out within the year of the strategic plan have indeed been achieved. These include:

- Growth in student's numbers,
- Competitive recruitment of staff both trainers and other support staff.
- Development of the infrastructures to support academic programmes.
- Development of various physical infrastructures in the college.
- Implementation of the developed policies.

The college received HELB loans /bursary and GoK capitation for the college trainees which has enhanced the course completion levels of our trainees

However, the college has faced numerous challenges among them:

- Inadequate finance from various budgeted sources
- High staffs turn over
- Sluggish students population growth

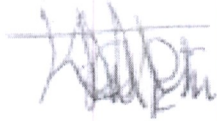
In this regard, I wish to thank the members of the board who have provided useful insight to the college management making it possible to collectively make progress. The board remains committed to building on the

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 TH 2019

In this regard, I wish to thank the members of the board who have provided useful insight to the college management making it possible to collectively make progress. The board remains committed to building on the foundation laid down so far and work closely with all the stake holders in order to realise further development. The board is pleased with efforts of the RTVC to ensure prudent management of resources and the level of compliance with the government regulations and statutory requirement.

I thank the government for its financial support so far that has made it possible to implement the RTVC functions and programmes.

I finally, wish to thank all stake holders for their continued support and dedication, even as we together strive to achieve greater heights of excellence.



Jimmy Mwaniki Gakuva
Chairman of the Board of Governor

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 TH 2019



V. REPORT OF THE PRINCIPAL

Presented herein is the annual report and financial statement of Runyenjes Technical & Vocational College for the year ended 30th June 2019 as per requirements of the Public Finance Management Act of 2012 and public audit act, 2003.

Non financial information

(a) Academic programme

During the financial year under review the college had 6 academic programme. Namely

- a) Electrical Engineering,
- b) Information Technology,
- c) Building and Civil Engineering Technology,
- d) Agriculture,
- e) Social work
- f) Secretarial studies.

(b) Student population

The College admits students allocated by KUCCPS, walk in placements and outsourcing them from high population catchment areas. By the end of the 2018/19 financial year, the College had a population 111 students. The number is expected to rise to over 150 students in the 2019/20 financial year. This will be achieved through

- Aggressive marketing of the college programmes
- Expansion of the college training facilities to accommodate more trainees
- Mounting of academic programmes that are attractive to trainees
- Improved internal and external academic performance
- Strengthened collaborations with local industrials and other institutions of higher learning

(c) Strategic Plan & college operational policies

The college will develop its 1st strategic plan for the 2019/20 to 2023/24 financial year in 2019/ 2020 which is meant to transform the college to the state of the art training institution by the end of the strategic plan horizons. The college also developed the following policies which will steer the college to great heights.

- Academic Policy,
- Student Rules & Regulation
- ICT Policy
- Examination policy
- Customer service charter
- Staff establishment

(d) Provision of requisite facilities

As a strategy to increase competitive advantage, the management of the College continued to expand the existing training facilities to attract and accommodate more students.

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
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VI. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

In the financial year 2018/ 2019 the management ensured smooth running of the college as well as ensuring the comadate which is to train the students is achieved.

Also the college management organised market cleaning day where all students, teachers and a few board members representative gather as way of maintaining cleanness in the market.

In addition the college planted trees in the compound for environment conservation.

This would improve the climate in the region.

VII. CORPORATE GOVERNANCE STATEMENT

The board of governance has met 7 times i.e.

Executive board 4 times scheduled as 11/07/2018, 29/10/2018, 11/3/2019 and 17/06/2019.

Full board met three times scheduled as 19/7/2018, 15/03/2019, and 15/7/2019.

There was a BOG induction meeting which took place from 2-5th may 2019.

The board appointment process is as stated below

- Nomination by a nomination team headed by the county director TVET who acts as a chairperson. Members in the nomination team includes: - principal who acts as a secretary
 - mentor (for new institution)
 - county commissioner
 - area member of parliament
 - sponsor (if any)
- A nomination matrix and minutes are prepared and submitted to the CS Ministry of Education for appointment who in turn appoints 7 members out of the 21 given out as follows
 - chairman
 - Financial management
 - Leadership and management
 - Ict
 - Technology
 - Industry
 - Engineering
- Appointment letters are then picked by the principal who submits them to the appointed members who in turn writes a letter of acceptance to the CS
- Induction can take place

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

Runyenjes Technical and Vocational College is young institution which opened its gate for new admission on January 2018. Similar to other upcoming institution, this RUNYENJES TVC has been faced by some challenges as it thrives to achieve its main goals of impacting quality education as far as technical education is concerned. The first thing was to look for student who could enrol in the institution which was bit a challenge since few number turned out but it was a positive sign to show that the institution was in existence.

Another challenge experienced by the institution is lack of poor road networks and lighting which links the institution and the nearby town, thus more people not able to get access to the institution fast.

The institution has not yet been able to come up with a borehole which could act as a backup when there is no water, though it had been budgeted in the FY 2018/2019 it was not achieved since funds were not enough to come up with one but it's our prayer that by the end of the FY 2019/2020 we will have one.

The institution has faced more challenges; apart from the ones listed above we were just naming a few.

Apart from the challenges faced, the institution has also been able to accomplish one of its projects i.e. coming up with an ablution block which we are so much proud of it. And we pray more projects are to be implemented soon for the growth and development of Runyenjes technical and vocational college as well as the society where the institution is located.

**RUNYENJES TECHNICAL AND VOCATINAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 TH 2019**

IX. REPORT OF THE COUNCIL/BOARD OF GOVERNORS

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the *RUNYENJES TVC*'s affairs.

Results

The results of the *RUNYENJES TVC* for the year ended June 30 are set out on page 1-5


COUNCIL/BOARD OF GOVERNORS

The members of the Board /Council who served during the year are shown on page 5.

Auditors

The Auditor General is responsible for the statutory audit of the *RUNYENJES TVC* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *RUNYENJES TVC* for the year/period ended June 30, 2017 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


Corporate Secretary
Nairobi
Date...

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 TH 2019

Approval of the financial statements

The *RUNYENJES TVC's* financial statements were approved by the Board on 15/7/2019 and signed on its half by:



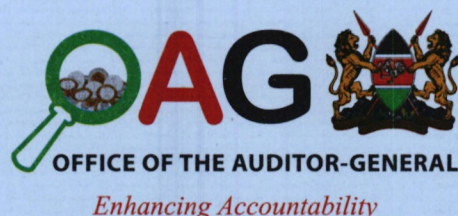
Jimmy Mwaniki Gakuva
Chairman of the Board of Governor



Principal/BOG Secretary

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 RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Runyenjes Technical and Vocational College set out on pages 1 to 13, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Runyenjes Technical and Vocational College as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Adverse Opinion

1. Unsupported Land Balance

The statement of financial position reflects property, plant and equipment net book value of Kshs.57,045,774 as disclosed in Note 11 to the financial statements which includes land balance of Kshs.8,000,000. However, no details were provided to support the value of land as disclosed. Although Management had commenced the process of transferring the title from the previous owner, the process is yet to be completed.

In the circumstances, the accuracy and ownership of the land balance of Kshs.8,000,000 could not be confirmed.

2. Unsupported General Expenses

The statement of financial performance and as disclosed in Note 7 reflects general expenses totalling Kshs.3,567,600 which includes Kshs.1,494,515 in respect to administration expenses. However, the ledger provided to support the expenses reflects an amount of Kshs.1,594,515 resulting to an unexplained and unreconciled variance of Kshs.100,000. In addition, an amount of Kshs.10,000 in respect of development which

was included as part of general expenses and was not supported with ledgers and schedule.

In the circumstances, the completeness and accuracy of the amount of Kshs.3,567,600 incurred on general expenses could not be confirmed.

3. Unsupported Receivables from Non-Exchange Transactions

The statement of financial position reflects a balance of Kshs.1,215,000 in respect of receivables from non-exchange transactions. However, Management did not provide details of the outstanding tuition fees receivables by names of students, course taken, amount paid and amount outstanding to support the balance.

In the circumstances, the accuracy of the balance of Kshs.1,215,000 in respect of receivables from non-exchange transactions could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Runyenjes 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 are no other 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 receipts budget and actual on comparable basis of Kshs.12,134,600 and Kshs.4,902,552 respectively resulting to an under funding of Kshs.7,232,048 or 60% of the budget. Similarly, the expenditure budget was Kshs.12,134,600 against actual expenditure of Kshs.5,643,853 or 47%, resulting to an under-expenditure of Kshs.6,490,747 or 53% of the budget.

The underfunding and under performance affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the significance of the matters discussed in the basis of Adverse Opinion section 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

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 Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and overall governance were not effective.

Basis of Conclusion

1. Lack of Internal Audit Function and Audit Committee

The College has not established an internal audit function and an Audit Committee of the Board. This is contrary to Section 73 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function and an Audit Committee

In the circumstances, the College did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

2. Lack of Risk Management Policy and Strategy

The College Management had not put in place a Risk Management Policy, Strategies, and Risk Register to mitigate against risk. This is in contravention of Regulation 165 (1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism; and the county government entity develops a system of risk management and internal control that builds robust business operations.

In the circumstances, it is not possible to determine the effectiveness of controls implemented to minimize risks.

3. Failure to Maintain Petty Cash Book

Review of supporting documents revealed that administration expenses relating to daily costs of running the College were issued through petty cash. However, the College did not maintain a petty cash book to record the receipts and the payments contrary to the requirement of Regulation 92(14) of the Public Finance Management (National Government) Regulations, 2015 which requires the holder of a standing imprest to maintain a memorandum cash book.

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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 controls 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 controls may not prevent or detect misstatements and instances of noncompliance. 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 College's policies and procedures may deteriorate.

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

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and 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

09 September, 2022

XI STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	3	3,430,000.00	
Grants from donors and development partners			
Transfers from other levels of government			
Public contributions and donations			
Total		3,430,000.00	
Revenue from exchange transactions			
Rendering of services- Fees from students	4	2,868,283.00	
Sale of goods			
Rental revenue from facilities and equipment			
Finance income - external investments			
Consultancy fees			
Other income			
Revenue from exchange transactions		2,868,283.00	
Total revenue		6,298,283.00	
Expenses			
Use of goods and services	13	38,294.00	
Employee costs	6	1,961,939.00	
Remuneration of directors			
Depreciation and amortization expense	11	619,498.00	
Repairs and maintenance	7	86,120.00	
Contracted services			
Grants and subsidies			
General expenses	7	3,567,600.00	
Finance costs			
Total expenses		6,273,451.00	
Other gains/(losses)			
Gain on sale of assets			
Gain on foreign exchange transactions			
Unrealized gain on fair value of investments			
Impairment loss			
Total other gains/(losses)			
Net Surplus for the year		24,832.00	

NYENJES TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2019

XII. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	9	107,042.00	
Receivables from exchange transactions	10	237,490.00	
Receivables from non-exchange transactions	11	1,215,000.00	
Current portion of long-term receivables from exchange transactions			
Inventories			
Investments			
		1,559,532.00	
Non-current assets			
Property, plant and equipment		57,045,774.00	
Investments			
Intangible assets			
Investment property			
Long term receivables from exchange transactions			
Total assets		58,605,306.00	
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	13	974,980.00	
Non-current liabilities			
Non-current employee benefit obligation			
Non-current provisions			
Borrowings			
Service concession liability			
Deferred tax liabilities			
Total liabilities		974,980.00	
Net assets		57,630,326.00	
Reserves			
Accumulated surplus		24,832.00	
Capital Fund		57,187,048.00	
Total net assets and liabilities		57,211,880.00	

The Financial Statements set out on pages 1 to 2 were signed on behalf of the Institute Council/ Board of Governors by:

Chairman of Council/Board of Governors

Finance Officer

Principal

Date... 15/7/2019

Date 15/7/2019

Date... 15/7/2019

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2019

III. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2019

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2018			0.00	0	0.00
Revaluation gain					
Fair value adjustment on quoted investments			0	57,187,048.00	57,187,048.00
Total comprehensive income			24,832.00		24,832.00
Capital/Development grants received during the year				0	
Transfer of depreciation/amortisation from capital fund to retained earnings			619,498.00	-619,498.00	
At June 30, 2019			644,330.00	56,567,550.00	57,211,880.00

• **BUNYENJES TECHNICAL AND VOCATIONAL COLLEGE**
 • **ANNUAL REPORT AND FINANCIAL STATEMENTS**
 • **FOR THE YEAR ENDED 30 TH 2019**

V. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

		2018-2019	2018-2019
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants		2,215,000.00	
Public contributions and donations			
Rendering of services- Fees from students		2,868,283.00	
Sale of goods			
Rental revenue from facilities and equipment			
Add back depreciation		619,498.00	
Finance income			
Consultancy income			
Other income, rentals and agency fees			
Total Receipts		5,702,781.00	
Payments			
Compensation of employees		1,961,939.00	
Use of goods and services		3,605,894.00	
Finance cost			
Repairs and maintenance		86,120.00	
Taxation paid			
General expenses			
Grants and subsidies paid			
Total Payments		5,653,953.00	
Net cash flows from operating activities		48,828.00	
Cash flows from investing activities		0	
Purchase of property, plant, equipment and intangible assets			
Proceeds from sale of property, plant and Equipment			
Increase in non-current receivables		-1,215,000.00	
Increase in investments			
Net cash flows used in investing activities		-1,215,000.00	
Cash flows from financing activities			
Proceeds from borrowings		300,000.00	
Net cash flows used in financing activities		300,000.00	
Net increase/(decrease) in cash and cash equivalents		-270,670.00	
Cash and cash equivalents at 1 JULY		377,712.00	
Cash and cash equivalents at 30 JUNE		107,042.00	

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2019

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	Original budget 2018-2019	Adjustments 2018-2019	Final budget 2018-2019	Actual on comparable basis 2018-2019	Performance difference 2018-2019	%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Tuition			720,000.00	672,140.00	-47,860.00	(6)
Personal enrolment			960,000.00	679,615.00	-280,385	(29)
Electricity water and conservancy			240,000.00	123,940.00	-116,060.00	(48)
Local transport and traveling			528,000.00	231,906.00	-296,094.00	(45)
Repair maintenance and improvement			240,000.00	110,637.00	-129,363.00	(53)
Activity			240,000.00	122,900.00	-117,100.00	(49)
Contingency			120,000.00	40,577.00	-79,423.00	(66)
ICT fund			120,000.00	58,550.00	-61,450.00	(51)
Insurance			30,000.00	22,717.00	-7,283.00	(24)
Library			15,000.00	10,100.00	-4,900.00	(32)
Practical			18,000.00	79,450.00	61,450.00	341
Development			400,000.00	131,100.00	-268,900.00	(67)
Industrial attachment			30,000.00	57,000.00	27,000.00	90
Registration			15,000.00	37,600.00	22,600.00	150
Caution money			25,000.00	1,000.00	-24,000.00	(96)
Student ID			10,000.00	7,560.00	-2,440.00	24
Student council			72,000.00	30,530.00	-41,470.00	(41)
Examination			201,600.00	270,230.00	68,630.00	34
Production			150,000.00	0	-150,000.00	(100)
Expected grant from MoE			1,500,000.00	500,000.00	1,000,000.00	(66)
Grants from M.O.E			6,500,000.00	1,715,000.00	4,785,000.00	(74)
Total income			12,134,600.00	4,902,552.00	-	(59)

**KUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
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Flower and beautification		100,000.00	35,420.00	64,580.00	64
Total expenditure		12,134,600.00	5,643,853.00	6,490,747.00	53
deficit for the period			-741,301.00		

Budget notes

1. Budget was not met due to lack of expected fees from student
2. The number of student budgeted was not met.
3. We did not receive ministry grants as per what we had budgeted i.e. we had budgeted 6500000 but we only received approximately 27% of the money thus not able to meet our budget.

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30/06/2019

3 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2018-2019	2018-2017
	KShs	KShs
Unconditional grants		
Operational grant	2,430,000	
Other grants	1,000,000	
Conditional grants		
Library grant		
Hostels grant		
Administration block grant		
Laboratory grant		
Learning facilities grant		
Other organizational grants		
Total government grants and subsidies	3,430,000.00	

4 RENDERING OF SERVICES

DESCRIPTION	2018-2019
	KSHS
PERSONAL EMOLUMENT	679,615.00
ELECTRICITY AND WATER	123,940.00
LOCAL TRANSPORT AND TRAVEL	231,906.00
ACTIVITY	122,900.00
CONTINGENCIES	40,577.00
SCHOOL EQUIPMENT AND STORE	672,140.00
DEVELOPMENT	131,100.00
REPAIR AND MAINTENANCE	110,637.00
STUDENT WELFARE	30,530.00
ICT INTERGRATION	58,550.00
CAUTION MAONEY	1,000.00
EXAMINTION	270,230.00
PRACTICAL	79,450.00
LIBRARY	10,100.00
REGISRATION	37,600.00
INSURANCE	22,717.00
MEDICAL	8,731.00
INTERNAL REMITANCE	172,000.00
ATTACHMENT	57,000.00
STUDENT ID	7,560.00
TOTAL	2,868,283.00

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
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5 EMPLOYEE COSTS

	2018-2019	2017-2018
	KShs	KShs
Salaries and wages	1,961,939.00	
Employee related costs - contributions to pensions and medical aids		
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
Performance and other bonuses		
Social contributions		
Employee costs	1,961,939.00	

6 REPAIRS AND MAINTENANCE

Description	2018-2019	2017-2018
	KShs	KShs
Property	86,120.00	
Investment property – earning rentals		
Equipment and machinery		
Vehicles		
Furniture and fittings		
Computers and accessories		
Other		
Total repairs and maintenance	86,120.00	

7 GENERAL EXPENSES

GENERAL EXPENSES	2018/2019	2017/2018
DESCRIPTION	KSHS	KSHS
LOCAL TRANSPORT AND TRAVEL	861,000.00	
ACTIVITY	229,570.00	
CONTINGENCIES	110,470.00	
SCHOOL EQUIPMENT AND STORE	139,995.00	
DEVELOPMENT	10,000.00	
ICT INTERGRATION	19,500.00	
EXAMINTION	281,630.00	
ADMINISTRATION	1,494,515.00	
MARKETING AND PUBLICITY	42,100.00	
ATTACHMENT	11,100.00	
PLANTING TREES AND FLOWERS	35,420.00	
STRATEGIC PLAN DEVELOPMENT	136,110.00	
TRAINING MATERIALS	160,190.00	
TRAINING AND DEVELOPMENT	36,000.00	
	3,567,600	

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
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CASH AND CASH EQUIVALENTS

Description	2018-2019	2017-2018
	KShs	KShs
Current account	52,282.00	
On - call deposits		
Fixed deposits account		
Staff car loan/ mortgage		
Cash	54,760.00	
Others(specify)		
Total cash and cash equivalents	107,042.00	

(a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2018-2019	2017-2018
		KShs	KShs
Current account			
Equity Bank-operations account	0190274872116	52,282.00	
Sub- total		52,282.00	
Others(specify)			
cash in hand		54,760.00	
Sub- total		54,760.00	
Grand total		107,042.00	

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Current receivables		
Student debtors	237,490.00	
Rent debtors		
Consultancy debtors		
Other exchange debtors		
Less: impairment allowance		
Total current receivables	237,490.00	
Non-current receivables		
Refundable deposits		
Advance payments		
Public organizations		
Less: impairment allowance		
Total		
Current portion transferred to current receivables		
Total non-current receivables	-	
Total receivables	237,490.00	

10 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2018-2019	2018-2019
	KShs	KShs
Current receivables		
Transfers from govt. entities	1,215,000.00	
Undisbursed donor funds		
Other debtors (non-exchange transactions)		
Less: impairment allowance		
Total current receivables	1,215,000.00	

**RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 PROPERTY, PLANT AND EQUIPMENT

	Land Shs	Motor vehicles Shs	Furniture and fittings Shs	Computers Shs	Other Assets (Specify) Shs	Building Shs	Total Shs
At 1 July 2018	8,000,000.00	-	590,000.00	478,224.00	-	48,597,048.00	57,665,272.00
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
annual depreciation	-	-	73,750.00	59,778.00	-	485,970.00	619,498.00
Net book values	8,000,000.00	-	516,250.00	418,446.00	-	48,111,078.00	57,045,774.00

RUNYENJES TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Trade payables		
Fees paid in advance	674,980.00	
Employee advances		
Third-party payments		
Other payables	300,000.00	
Total trade and other payables	974,980.00	

13 USE OF GOODS AND SERVICES

Description	2018-2019	2017-2018
	KShs	KShs
Electricity	38,294.00	
Water		
Security		
Professional services		
Subscriptions		
Total good and services	38,294.00	