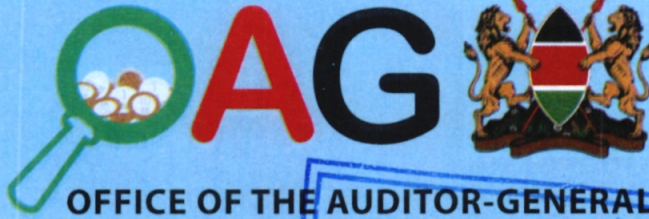


REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

**REPORT**

DATE: 24 JUL 2025

DAY.

Thurs.

TABLED  
BY:

CLERK-AT  
THE-TABLE:

Leader of Majority  
Tracy Chebet

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**NAROK SOUTH TECHNICAL  
AND  
VOCATIONAL COLLEGE**

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



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***NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE***

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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



**NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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## **1. Acronyms and Definition of Key Terms**

### **A. Acronyms**

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
CSR	Corporate Social Responsibility
NCIC	National Cohesion & Integration Commission
CBO	Community- Based Organizations
NITA	National Industrial Training Authority
TVETA	Technical and Vocational Education and Training Authority

### **B. Definition of Key Terms**

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

**Comparative Year**- Means the prior period.

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**2. Key College Information and Management**

**(a) Background information**

The institution was incorporated/ established under the TVET Act, 2013 Section 20(1) on 27 July, 2022. The college is domiciled in Kenya and is planning to open Town campus at Ololulung'a town. The institute is under the Ministry of Education. During establishment, Nairobi Technical Training Institute was given mandate by GOK to manage construction of the College and later mentored the college till the Board of Governors were appointed.

Narok South TVC sits on a 2.19 hectares (5.41 acres) parcel of land which is located near Olashapani Shopping Center, along Ololulunga – Olmekenyu road, Olshapani Sub- location, Oldonyo Ngiri Location, Ololung'a Division, Narok South Sub-county in Narok County.

The College is proposed to be Center of excellence in Agricultural Engineering, Value Addition in Agriculture, Welding-Fabrication and Information Technology Communication (ICT). The College is currently awaiting to be fully equipped with state- of-the-art Equipment to be sourced by the Government of the Republic of Kenya (GOK).

**(b) Principal Activities**

Manage and control institution's resources, supervision of training activities and programmes at the institution as well as serve as the secretary of the board. Training competent human resource for Social Economic Development in Business, Science, Technology, Engineering and Mathematics.

**(c) Key Management**

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

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Deputy Principal;
- Ag. Registrar/Head of ICT and Business Department;
- Ag. Dean of Students/Head of Technical and Engineering Department.

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**(d) Fiduciary Management**

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

SN.	Designation	Name
1.	Principal	<b>-Simion Cheplogoi</b>
2.	Deputy principal Finance	<b>-Benedict Kuseng'ya Kithuka</b>
3	Deputy principal Academics	-
4	Registrar (s)	<b>David Kabebe Mirau</b>
5	Dean of students	<b>Caroline Cherono</b>
6	Head of Finance	-
		-

**Key College Information and Management (Continued)**

**(e) Fiduciary Oversight Arrangements**

**Board of Governors**

The functions of the Board of Governors 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;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) 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;

**NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE**  
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**KEY COLLEGE INFORMATION AND MANAGEMENT (Continued)**

- (h) Mobilizing resources for the institutions;
- (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 submit 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.

**NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE**  
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**KEY COLLEGE INFORMATION AND MANAGEMENT (Continued)**

**Committees of the Board of Governors**

**1. Finance, Governance and Development**

**Committee Activities**

The Committee shall exercise all the powers of Board of Governors (BoG) in financial matters except in relation to the items which are reserved to BoG in these Standing Orders, on which the Committee shall advise BoG.

**Terms of Reference.**

The role of the Committee shall be to monitor the financial status of the College on behalf of BoG. In addition to advising BoG on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the College's strategy with regard to financial matters.
- b) To receive reports from the Chief Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the College.
- d) To receive reports of the extent and condition of the College estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the College estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for College services and facilities.
- g) To supervise the financial administration of the College and make recommendations to BoG where appropriate.
- h) To supervise the arrangements for safeguarding the College's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the College's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the College's intellectual property.
- l) To make recommendations to BoG on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the College.
- n) Advise the Board of Governors on the academic aspects of Narok South TVC's strategic, operational and risk management plans and foster disclosure on issues related to higher education and Narok South TVC's Vision and Goals.
- o) Oversee the regular program of internal unit, course and school reviews within Narok South TVC.
- p) Ensure that Narok South TVC engages in regular benchmarking exercises with other higher education providers, and monitor the outcomes of such benchmarking exercises against targets in Narok South TVC's plans.
- q) Refer certain matters to such standing committees or working groups as it may from time to time establish to advise on such matters.
- r) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
- s) Consider and recommend on any matter referred to the it by the Board of Governors.

**NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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**2. Education, Training and Research**

**Committee Activities**

- a) Provide academic leadership to Narok South TVC, through promotion of excellence in teaching and learning, and ensuring that Narok South TVC embraces a philosophy of quality enhancement and innovation.
- b) Facilitate academic freedom and freedom of speech and ensure academic integrity within Narok South TVC.
- c) Ensure a culture of scholarship is developed, nurtured and embedded within Narok South TVC.
- d) Formulate, coordinate and review academic policy, procedures and guidelines within Narok South TVC.
- e) Monitor and regularly report on compliance with academic policy within Narok South TVC.
- f) Oversee the quality assurance of the academic activities of Narok South TVC, within the Narok South TVC Risk Management Framework.
- g) Partner with the Audit and Risk Management Committee to identify, assess and monitor academic risks within the Narok South TVC Risk Management Framework.
- h) Consider and make decisions on all aspects of the development and accreditation or re-accreditation of higher education courses, the admission of students, teaching, assessment and requirements for graduation, prizes, awards and scholarships.
- i) Ensure that Narok South TVC engages in regular benchmarking exercises with other higher education providers, and monitor the outcomes of such benchmarking exercises against targets in Narok South TVC's plans.
- j) Refer certain matters to such standing committees or working groups as it may from time to time establish to advise on such matters.
- k) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
- l) Consider and recommend on any matter referred to it by the Board of Governors.
- m) In addition to such matters as are specifically referred to the Academic Board, the Academic Board may generate reports and recommendations to the Board of Directors, including recommending new courses for development.
- n) Undertake regular self-reviews of performance, and oversee reviews of performance of the Teaching and Learning committees, and any other sub committees of Academic Board.

**3. Audit, Risk and Compliance**

**Committee Activities**

Some detailed audit committee responsibilities include:

- a) Ensuring that financial statements are understandable, transparent, and reliable.
- b) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic.
- c) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top.
- d) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.
- e) Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the institution is a party.

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- f) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.
- g) Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.
- h) Reviewing internal audit plans, reports, and significant findings.
- i) Establishing a direct reporting relationship with the external auditors.

**4. Senior Management Activities**

The main purpose of the Senior Management Team is to:

- (a) Ensure that Narok South TVC's BoG is able to take strategic decisions relating to Narok South TVC's activities.
- (b) Provide leadership in communicating Narok South TVC's mission, values, plans and achievements effectively and consistently to BoG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- (c) Be accountable for the development and implementation of Narok South TVC's strategic, corporate and business plans in line with the mission and values.
- (d) Take a strategic overview of performance in all areas of Narok South TVC's activities.

Specifically, the Senior Management Team:

- i. Makes recommendations to the BoG on the implementation and achievement of the BoG's Strategic Framework;
- ii. Agrees Narok South TVC's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- iii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;

**NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE**  
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**KEY COLLEGE INFORMATION AND MANAGEMENT (Continued)**

- iv. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of Narok South TVC, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- v. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- vi. Oversees and monitors Narok South TVC's joint work with the other stakeholders
- vii. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BoG and/or its relevant Committees.
- viii. Leads all senior managers in motivating and developing Narok South TVC staff to deliver the highest standards of performance and customer service.






**(a) Government Oversight Activities**

The Government of Kenya's Oversight role includes provision of grants for both capitation and Development as well as provision of the regulatory framework. The audit of the Institutional activities is undertaken by the Office of the Auditor General.





<p><b>(a) Headquarters</b></p> <p>Near Oleshapani Shopping Center, along Ololulung'a – Olmekenyu Rd, Oleshapani Sub-location, Oldonyo Ngiro Location, Ololulung'a Division, Narok South Sub-county in Narok County</p>	<p><b>(b) Contacts</b></p> <p>P. O. Box 4-20503,  <b>Ololung'a.</b>  <b>Tel. 0740 311 457 / 0722 937192</b>  <b>Email: <a href="mailto:naroksouthtvc20@gmail.com">naroksouthtvc20@gmail.com</a></b>  <b>Website:</b></p>
<p><b>(c) Narok South TVC Bankers</b></p> <p>KCB Bank Limited  Narok Branch, Narok.</p>	
<p><b>(d) Independent Auditors</b></p> <p>Auditor General  Office of the Auditor General  Anniversary Towers, University Way  P.O. Box 30084  GOP 00100  Nairobi, Kenya</p>	<p><b>(e) Principal Legal Adviser</b></p> <p>The Attorney General  State Law Office  Harambee Avenue  P.O. Box 40112  City Square 00200  Nairobi, Kenya</p>

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**3. The Council/Board of Governors**





Governor	Title	Photograph	Date of birth, key qualifications and work experience	
1.Wilberforce Wicks Maiyo	Chairman		Date of Birth	1965
			Qualification	MA Public Administration and Public Policy
			Experience	32 Yrs
2.Juliana Kivasu	Member		Date of Birth	
			Qualification	MBA, Strategic Management
			Experience	31 Yrs
3.Desmond Tome Kironkai	Member		Committee Membership	-Finance, Governance and Development. -Education, Training & Research
			Date of Birth	1996
			Qualification	BSc. Statistics
4.Mike Kipsang' Kuttoh	Member		Experience	6 Yrs
			Committee Membership	Audit Risk and Compliance
			Date of Birth	1970
4.Mike Kipsang' Kuttoh	Member		Qualification	Master of Commerce (Administration Option)
			Experience	14 Yrs
			Committee Membership	<b>Chairman</b> Education, Training & Research <b>Member</b> Finance, Governance and Development.

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5.Eddy Oloo	Member		Date of Birth	1960
			Qualification	BSc. Mechanical Eng.
			Experience	8 Yrs
			Committee Membership	<b>Chairman</b> Finance, Governance and Development. <b>Member</b> Education, Training & Research
6.Jane Wanjara Macharia	Member		Date of Birth	
			Qualification	MSc. Geographic Information System
			Experience	31 Yrs
			Committee Membership	Audit Risk and Compliance
7.Bernadette Bitu			Date of Birth	1994
			Qualification	B. Commerce (Accounting Option)
			Experience	6 Yrs
			Committee Membership	Audit Risk and Compliance
8.Simion Cheplogoi	Secretary		Date of Birth	1972
			Qualification	BED, Mechanical engineering, PGDE
			Experience	29 Yrs

**NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE**  
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**4. Key Management Team**

Manager	Title	Photograph	Qualification & Responsibility	
Simion Cheplogoi	Principal		Date of Birth	1972
			Qualification	BED Mechanical (Production option), Masters ongoing
			Experience	29 Years
Benedict Kuseng'ya Kithuka	Deputy Principal		Date of Birth	
			Qualification	
			Experience	
David Kabebe Mirau	Ag. Registrar		Date of Birth	1989
			Qualification	BSc. ICT
			Experience	2 Years
Caroline Cherono	Ag. Dean of Students		Date of Birth	1984
			Qualification	BSc. Electrical and Electronic
			Experience	2 Years

**NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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**5. Chairman's Statement**

I am pleased to present the College's annual report and financial statement for the year ending 30th June 2024.

The College's Board of Governors take note with appreciation the continued support and advice of GoK and other stakeholders in the management of the College.

We appreciate and thank the Government for undertaking key policy reforms in the TVET sector, which are geared to addressing modern needs in skills training. It is also notable that GoK recently launched the New Funding Model for Universities and TVET, whose aim is to ensure sustainable growth in the sector; while addressing Kenya communities' diversity through the realization of the following key objectives in TVET: quality, access, equity and relevance. The BoG will continue to work with industry and other partners in setting up shared strategies that ensure that the skills offered by the College do meet the industry needs, offer solutions to community challenges and as well enable personal development of the graduates to be self-reliant and innovative in job creation.

The College finances and revenues are received through KCB Bank Ltd, College bank account in Narok Town. The Board was inaugurated on 3rd February 2022 and continues to oversee the management of the College.

The Board also looks forward to receive GoK- sourced center of excellence training equipment, whose supply/delivery promise will be in the course of this financial year 2023/2024; and this will address urgent training needs.

I wish to emphasize that the Board is grateful for the continued support from the GoK, through the Ministry of Education, State Department of TVET, in terms of operational grants, advice, training and posting of additional trainers. The Government has managed to do this in spite of the economic challenges that the country faced, some of which resulted in decline in funds available to TVETs.

Finally, on behalf of the Board, I thank the Government and all our stakeholders for their trust, support and continued partnership and cooperation we enjoyed during the Financial Year 2023/2024.



Wilberforce Wicks Maiyo  
CHAIRMAN BOARD OF GOVERNORS



**NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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**6. Report of the Chief/Senior Principal**

I take this opportunity to present Narok South TVC financial statement for the FY 2023/2024 ended 30<sup>th</sup> June 2024 in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

With the support of the BoG we have put in place the necessary financial, procurement and internal control measures to ensure proper utilization of funds entrusted to us.

We have managed to utilize GoK grants, through our approved budget and managed to pay for the institution KUCCPs registration so that the institution can receive students through KUCCPs placement. Also the college has been registered by Higher Education Loans Board (HELB). This will ease the burden of fees payment by parents or guardians. Further, we look forward to GoK support- promise to supply more training equipment in this FY 2024/2025.

Our College continues to maintain up to date statutory compliance and transparent performance. We have only received Audited Annual Accounts and Financial Report FY 2021/2022, Compliance Report on Values and Principles of Governance FY 2021/2022, among others. Audit for FY 2022/2023 and 2023/2024 have been completed .We are awaiting the Reports of the Auditor General. Finally, on behalf the Management, I sincerely thank our Board for the continued support and cooperation in the management of our College.



-----  
**Simion Cheplogoi Principal/Secretary**  
**BOG**



**NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE**  
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**7. Statement of Performance against Predetermined Objectives**

Narok South TVC has two (2) strategic issues and objectives within current Strategic Plan for the FY 2023-2024. These strategic pillars are as tabulated below:

Strategic issue 1: Curriculum implementation

Strategic issue 2: Machines, Equipment and ICT infrastructure

Narok South TVC develops its annual work plans based on the above two pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
<b>Strategic issue 1</b> Curriculum implementation and Student Enrollment	To provide quality and relevant technical training. To increase student enrollment through mounting of relevant courses to meet dynamic industry demands	<ul style="list-style-type: none"> <li>Enrolment of students</li> </ul>	<ul style="list-style-type: none"> <li>Putting in place quality assurance mechanisms.</li> <li>Increased marketing of college courses</li> </ul>	Enrolled 100 students within the FY 2023/2024
<b>Strategic issue 2</b> Machines, Equipment and ICT infrastructure	To acquire, install and maintain ICT infrastructure	Installation of ICT equipment at the institution	<ul style="list-style-type: none"> <li>Acquisition, installation and maintenance of machines and equipment</li> </ul>	ICT equipment procured within the FY 2023/2024

**8. Corporate Governance Statement**

**1) Corporate Governance Statement**

- a) Good corporate governance is the key to integrity and corporations and central to the College stability
- b) Corporate governance therefore encompasses the system practices and procedures by which the individual corporation regulates itself to remain stable, competitive, sustainably and fair.
- c) The BoG follows principles of transparency and accountability in its stewarding college affairs'
- d) The role of the BoG is to ensure conformity by focusing and providing the college strategic direction and policy making as well as performance review through accountability, monitoring, supervision and internal control to safeguard the assets and ensure the reliability of financial information
- e) Management team comprising of the principal, deputy principal, head of departments and staff meet regularly to consider issues of operational and strategic importance.
- f) Below are key features of the existing governance practices within the college which are revised and improved from time to time.

**2) The College Board of Governors (BoG)**

The BoG constitutes of chairman BoG and eight members appointed in accordance to the TVET Act 2013 and formally meets at least four times a year (every quarter) or more when need arises.

- a) BoG is responsible for setting the direction of the College through establishment of strategic information, policies and approval of budgets. It monitors implementation of the above through structured approach of reporting by the management and accountability.
- b) The BoG is actively involved and bring strong independent judgement on its deliberations and discussions
- c) The BoG members have diverse skill set, wide range of knowledge and experience of the college in objectives and decision making.
- d) The BoG meets regularly and retains full and effective control over the College in all strategic financial operation and compliance areas

**3) Related Party Disclosure**

Related parties for the purposes of this report include:

- a. The Government of Republic of Kenya
- b. The Board of Governors
- c. The Management

## 9. Management Discussion and Analysis

### SECTION A: Operational and Financial Performance

The college is a public Institution which relies on Government funds, and fees paid by students. It is not a profit making College. The college has not yet fully attained autonomy in its operations since it does not have training equipment for it to enrol more trainees and hence revenue collected in terms of rendering of training services

### SECTION B: Compliance with Statutory Requirements

Narok South Technical and Vocational College complies to deduction and remittance of statutory deductions such NHIF, NSSF.

### SECTION C: Key Projects and Investment Decisions

Key projects and investment decisions Narok South Technical and Vocational College is planning/implementing

- Being a young institution, Narok South TVC has not initiated any development project.

### SECTION D: Financial and Management Risks

Major risks facing the College are as follows;

- Inadequate funding by the Ministry of Education- on capitation/operation and development grants;
- Delay in supply of training equipment and furniture by GoK;
- Untimely marketing due to late funding;
- Due to limited capacity, it is not possible to increase the number of students as expected;
- The socio-economic effects associated with drought;
- Delay in granting licence of courses by the regulator (TVETA);
- Delay in connection of adequate power;

Due to the above factors the institution is facing challenges in meeting its full operations obligations.

### SECTION E: Material arrears in Statutory and Financial Obligations

Material arrears in statutory/financial obligations

1. There are material arrears in statutory/ financial obligations –in terms of unpaid fees by students amounting to Kshs. 150,000.00
2. Also the institution has to pay TVETA approval of courses amounting to Kshs. 89,000 so that courses can be added in the enrolment of trainees

### SECTION F: Governance

There were no serious governance issues reported during the year under review.

## 10. Environmental And Sustainability Reporting Statement

The Narok South TVC, being a young institution with limited funding, has not embarked on major activities of corporate social responsibility. Meanwhile, the college has been participating on public activities organized by other public institutions such as Ministry of Interior, County Government of Narok, NCIC and CBOs, which do not require financial commitment.

### Sustainability strategy and profile

This strategy focuses on achieving financial, environmental organisational and institutional sustainability within the College.

### Environmental performance

- a. Greening TVET
  - ✓ greening the institution
  - ✓ greening the curriculum
  - ✓ greening research
  - ✓ greening the culture
  - ✓ greening the community
- b. Solid Waste management
  - ✓ disposal of wastes
  - ✓ policies on re-cycling
- c. Emission control
  - ✓ control on gases emitted to the environment
- d. Adoption of environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the college.

### Employee welfare

The below policies are in draft forms waiting for Board approval: -

- ✓ Scheme of service for BoG Staff;
- ✓ Career progression guidelines for BoG Staff;
- ✓ Motivation Policy for both Staff and Students;
- ✓ Income Generating Activities Policy;
- ✓ ICT policy;
- ✓ Gender Mainstreaming and Youth Empowerment Policy;
- ✓ Disability Mainstreaming Policy;
- ✓ Policy Against Gender-Based Violence;
- ✓ Human Resource Policy Manuals

### Market place practices-

#### A) Responsible Competitive Practice

- i) Anti -corruption
  - a. Student fees: The college charges the student's fees as per the guidelines from the Ministry of Education. The Tuition fees together with other levies charged is Ksh.

56,420 for continuing students and Kshs. 67,189 under New TVET Funding Model as capped by the Ministry of Education;

- b. No-Cash payment policy – all payments received through college bank account;
- c. The admission process is transparent.

ii) Political involvement

- a. The college liaises with the area leadership for development of the college infrastructure.

iii) Fair competition

- a. The college acquires the curriculum and syllabus from Kenya Institute of Curriculum Development (KICD), National Industrial Training Authority (NITA) and CDACC to ensure uniformity of courses offered at Narok South TVC is similar to those offered in other public institutions.
- b. Entry criteria for the program and the entry requirements for the students are clearly defined. i.e. Mean grade C- (minus) for Diploma/Level 6 Certificate students, D+ for Craft Certificate/Level 5 students and KCSE D- (minus) for Artisan Certificate/Level 4 courses. This allows the college to have a fair competition with the universities who require students to have a mean grade of C+ to access university education.

iv) **Respect for competitors**

- a. **Mutual beneficial relationships:** - The college undertakes benchmarking with other institutions so as to offer quality service to the trainees and to assist one another to better improve service delivery.
- b. The College plans to have students placed by Kenya Universities and Colleges Central Placement Service (KUCCPS) and the ensures compliance with KUCCPS policy on transfers, (that when student seek for transfers from other institutions, there is correspondence from the institution that the student wishes to leave so as to ensure that there is mutual understanding).

**(B) Responsible Marketing and Advertisement**

Efforts to maintain ethical marketing practices

- a. The College openly advertises in the print and electronic media for all the courses offered in the institution so as to ensure transparency and integrity in the admission process;
- c. The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the college;
- d. The College ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake;
- e. Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/guardians and students to prepare for the admission.

**(C) Product Stewardship**

Efforts to safeguard consumer rights and interests

- a. The college is in the process of developing complaints handling procedures;
- b. There is proactive disclosure of information by ensuring that information is given through the colleges website, brochures, print and electronic advertisement;
- c. Requests by customers for information on admission and courses is done through e-mail, telephone call and letters. The college has ensured accessible and an active e-mail address [naroksouthtvc20@gmail.com](mailto:naroksouthtvc20@gmail.com) and the telephone line 0740 311457.

**(D) Community Engagements-**

The College has continuously engaged the community in matters of corporate social responsibility (CSR). The college has been donating tree seedlings to the community through the office of local chief.

## 11. Report of the Council/Board of Governors

The Board submits their report of financial statements for the year ended 30 June, 2024, which show the state of the College's affairs. The college is yet to be audited for FY 2022/2023, FY 2023/2024 cycles.

### Principal Activities

The principal activities of the institution are to train competent Human Resource for social economic development at TVET level.

### Results

The results of Narok South Technical and Vocational College for the year ended 30 June, 2024 are set out on page 1

### BOARD OF GOVERNORS

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

### Auditors

The Auditor General is responsible for the statutory audit of **Narok South Technical and Vocational College** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act for the year ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015.

By Order of the Board



.....  
**Simion Cheplogoi**  
**Secretary of the Board/Council**  
**Nairobi**



**Date: 20/9/2024**

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

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the Board members to prepare financial statements in respect of Narok South Technical and Vocational College, which give a true and fair view of the state of affairs of the college at the end of the financial year/period and the operating results of the college for that year/period. The Board members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The Board members are also responsible for safeguarding the assets of the college.

The Board members are responsible for the preparation and presentation of the college financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (period) ended on June 30, 2024.

This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the college;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the college;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent

**NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act). The Board members are of the opinion that the college's financial statements give a true and fair view of the state of College transactions during the financial year ended June 30, 2024, and of the college financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The College's financial statements were approved by the Board on **20/9/2024** and signed on its behalf by:



.....  
Wilberforce Wicks Maiyo  
Chairman of the Board

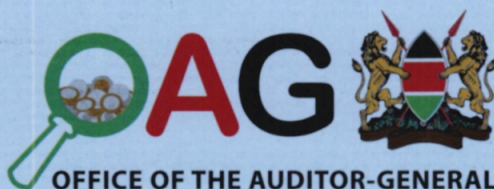


.....  
Simion Cheplogoi  
Accounting Officer/Principal



# REPUBLIC OF KENYA

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P.O Box 30084-00100  
NAIROBI

*Enhancing Accountability*

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Narok South Technical and Vocational College set out on pages 1 to 61, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the

information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Narok South Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2014 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

#### **1.1. Unsupported Suspense Accounts Balance**

The statement of financial position and the statement of cash flows reflect balances of Kshs.108,861 and Kshs.70,744 respectively in relation to the suspense account which were not supported with the respective journal entries.

In the circumstances, the accuracy and completeness of the balances of Kshs.108,861 and Kshs.70,744 respectively in relation to the suspense account could not be confirmed.

#### **1.2. Inaccuracy of the Statement of Cash Flows**

The statement of cash flows reflects a balance of Kshs.68,000 in respect of purchase of property, plant and equipment. However, Note 32 to the financial statements did not disclose the additions of fixed assets.

In the circumstances, the accuracy and completeness of the balance of Kshs.68,000 in respect of purchase of property, plant and equipment could not be confirmed.

### **2. Unsupported Receivables from Exchange Transactions Balance**

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.145,500 as disclosed in Note 27 to the financial statements. However, the student ledgers were not supported with an ageing analysis indicating the period the debts have been outstanding. Further, it was not possible to determine the recoverability of the outstanding debts.

In the circumstances, the accuracy, completeness and recoverability of the current portion of receivables from exchange transactions of Kshs.145,500 could not be confirmed.

### **3. Unsupported Property, Plant and Equipment Balance**

The statement of financial position reflects property, plant and equipment balance of Kshs.54,849,829 as disclosed in Note 32 to the financial statements. However, the depreciation rate policy on buildings has not been included as part of the significant accounting policies on property plant and equipment. In addition, land valuation has not been done therefore the land value has not been disclosed in the financial statements.

In addition, review of records revealed that furniture and fittings additions amounting to Kshs.68,000 during the year, were not disclosed in the financial statements.

Further, review of records revealed that the College is built on a five point four one (5.41) acres piece of land that belongs to Oleshapani Primary School. Further, capital projects have been made on the land without certainty of ownership. Management did not provide any explanation for the failure to ensure that the College has acquired the ownership documents for the land.

In the circumstances, the accuracy, completeness and valuation of the property, plant and equipment balance of Kshs.54,849,829 could not be confirmed.

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

My opinion is not modified in respect of this matter.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final budgeted income and actual on comparable basis of Kshs.5,675,920 and Kshs.2,150,000 respectively resulting to an under-funding of Kshs.3,525,920 or 62% of the budget. Further, the statement reflects that the College spent an amount of Kshs.1,986,265 against actual receipts of Kshs.2,150,000 resulting to under-absorption of Kshs.163,735 or 8% of the actual receipts.

The under-funding and under-absorption affected the planned activities of the College and may have impacted negatively on service delivery to the students of the public.

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were key audit matters to communicate in my report.

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit of the previous year, several paragraphs were raised under the Report of Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not given any explanation on how the issues were resolved.

## **Other Information**

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

In connection with my audit on the College's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Non-compliance with the Law on Ethnic Composition**

The statement of financial performance reflects an amount of Kshs.348,350 in respect of employee costs as disclosed in Note 16 to the financial statements. Review of the human resources records revealed that the College had twelve (12) employees out of which, more than half were from one ethnic community. This is contrary to Section 7 (1) and (2) of the National Cohesion and Integration Act, 2008 which stipulate that all public establishments shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

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

#### **2. Conduct of the Board Meetings**

The statement of financial performance reflects Board expenses amounting to Kshs.140,000 and as disclosed in Note 17 to the financial statements. However, there were no proper

attendance registers for the Board and Board Committee meetings. This is contrary to Paragraph 8 (c) of Section E on the Practices of the Board (protocol of Board meetings) of the Mwongozo Code of Conduct for State Corporations' states that at the start of the scheduled meeting and for the purpose of confirming quorum a record of attendance shall be taken.

Further, the annual work plan of the Board was not provided for verification contrary to Paragraph 1.9 of the Mwongozo Code of Conduct for State Corporations' which states that Board members should ensure development of an annual work plan.

In addition, Management did not make statutory deductions to the allowances paid to the Board members. This is contrary to Section of 37(1) of the Income Tax Act 2021 states that an employer paying emoluments to an employee shall deduct therefrom, and account for tax thereon, to such extent and in such manner as may be prescribed.

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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

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

### Basis for Conclusion

#### 1. Lack of a Student Hostel, Kitchen and Unequipped Laboratory

Audit verification at the College revealed that it does not have a student's hostel and kitchen. In addition, the College laboratory is not equipped. Therefore, the College was unable to attract many students which resulted in low capitation and school fees.

In the circumstances, the College may not be able to achieve its overall objectives due to low student enrolment and lack of necessary facilities and equipment to run its operations.

#### 2. Lack of Debt Policy on Long Outstanding College Fees

The statement of financial position reflects current portion of receivables from exchange transactions amounting to Kshs.145,500 as disclosed in Note 27 to the financial statements. However, the College does not have a debt policy on long outstanding student fees.

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

### **3. Lack of an Approved Staff Establishment**

Review of human resources records revealed the College has twelve (12) staff comprising of eight (8) public service commission trainers, one (1) Board of Governors employee and three (3) support staff. However, there was no staff establishment of staff to determine optimality of staff in different cadres of staff. This was contrary to Policy B.2 (1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which requires every public entity to prepare human resource plans based on comprehensive job analysis to support achievement of goals and objectives in their strategic plans.

In the circumstances, Management may not be running the College with an optimal number of employees and therefore the objectives of the College may not be achieved as expected.

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

### **Responsibilities of the Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services 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 comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**11 July, 2025**

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

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

	Notes	2023/2024 Kshs	2022/2023 Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	2,000,000	1,500,000
Grants from donors and development partners	7		
Transfers from other levels of government	8		
Public contributions and donations	9		
Total Revenue from Non-exchange transactions			
<b>Total Revenue from Non-Exchange transactions</b>		<b>2,000,000</b>	<b>1,500,000</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	10	150,000	2,000
Sale of goods	11		
Rental revenue from facilities and equipment	12		
Finance income	13		
Miscellaneous income	14		
<b>Revenue from Exchange transactions</b>			
<b>Total Revenue from Exchange transactions</b>		<b>2,150,000</b>	<b>1,502,000</b>
<b>Expenses</b>			
Use of goods and services	15	1,439,167	1,585,851
Employee costs	16	348,350	244,750
Board /Council Expenses	17	140,000	548,600
Depreciation and amortization expense	18	1,189,475	1,230,604
Repairs and maintenance	19	54,730	3,030
Contracted services	20		
Grants and subsidies	21		
Finance costs	22	4,018	5,175
<b>Total Expenses</b>		<b>3,175,740</b>	<b>3,618,010</b>
<b>Other Gains/(Losses)</b>			

NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2024

Gain on sale of assets	23		
Gain/ Loss on fair value of investments	24		
Impairment loss	25		
<b>Total Other Gains/(Losses)</b>		<b>0</b>	<b>0</b>
<b>Net surplus/(deficit) for the year</b>		<b>-1,025,740</b>	<b>-2,116,010</b>

(The notes set out on pages 1 to 46 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 10 were signed by:

		
.....	.....	.....
<b>Chairman of Council/Board</b>	<b>Principal</b>	<b>Finance Officer</b>
<b>Date</b> 16/6/2025	<b>Date</b>	<b>ICPAK No</b>
		<b>Date</b> 16/6/2025

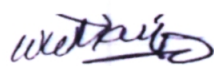
**15. Statement of Financial Position As At 30th June 2024**

		2023/2024	2022/2023
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	26	25,257	260
Current portion of receivables from exchange transactions	27(a)	145,500	81,100
Receivables from non-exchange transactions	28		
Inventories	29		
Investments in financial assets	30		
Prepayments	31		
<b>Suspense</b>			
<b>Total Current Assets</b>		<b>170,757</b>	<b>81,360</b>
<b>Non-Current Assets</b>			
Long term receivables from exchange transactions	27(b)		
Investments	30		
Property, plant, and equipment	32	54,849,829	55,971,305
Intangible assets	33		
Investment property	34		
Biological Assets	35		
<b>Total Non-Current Assets</b>			
<b>Total Assets (A)</b>		<b>55,020,586</b>	<b>56,052,665</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	36	391,950	507,150
Refundable deposits from customers	37		
Current provisions	38		
Finance lease obligation	39		
Deferred income	40		
Employee benefit obligation	41		
Payments received in advance	42		

NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2024

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Current portion of borrowings	43		
Social Benefits	46		
Suspense		108,861	
<b>Total Current Liabilities</b>		<b>500,811</b>	<b>507,150</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	39		
Deferred income	40		
Non-Current Employee Benefit Obligation	41		
Non- Current Borrowings	43		
Non-Current Provisions	44		
Service Concession Liability	45		
Social benefits	46		
<b>Total non- current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>500,811</b>	<b>507,150</b>
<b>Net Assets (A-B)</b>		<b>54,519,775</b>	<b>55,545,515</b>
<b>Represented By:</b>			
Revaluation Reserves			
Accumulated Surplus		(4,241,306)	-3,215,566
Capital Fund		58,761,081	58,761,081
<b>Net Assets</b>		<b>54,519,775</b>	<b>55,545,515</b>

The Financial Statements set out on pages 1 to 10 were signed by:



Chairman of Council/Board

Date 16/6/2025



Principal

Date



Finance Officer

ICPAK No

Date 16/6/2025

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

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

Description				
<b>At July 1, 2022</b> <i>(previous year)</i>		<b>-1,099,556</b>	<b>58,761,081</b>	<b>57,661,525</b>
Revaluation gain				
Surplus/(deficit) for the year		<b>-2,116,010</b>		<b>-2,116,010</b>
Capital grants received during the year				
Transfer of depreciation/amortisation from capital fund to Retained earnings				
<b>At June 30, 2023</b>		<b>-3,215,566</b>	<b>58,761,081</b>	<b>55,545,515</b>
<b>At July 1, 2023</b> <i>(current year)</i>		<b>-3,215,566</b>	<b>58,761,081</b>	<b>55,545,515</b>
Revaluation gain				
Surplus/(deficit) for the year		<b>(1,025,740)</b>		<b>(1,025,740)</b>
Capital grants received during the year				
Transfer of depreciation/amortisation from capital fund to				

NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2024

Description	Revaluati on reserve	Accumulated Fund	Capital Grants/Fund	Total
Retained earnings				
<b>At June 30, 2024</b>		<b>-4,241,306</b>	<b>58,761,081</b>	<b>54,519,775</b>

**17. Statement of Cash Flows For The Year Ended 30 June 2024**

Description		2023/2024	2022/2023
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities		2,000,000	1,500,000
Grants from donors and development partners			
Transfers from other levels of government			
Public contributions and donations			
Rendering of services- fees from students		4,500	2,000
Sale of goods			
Rental revenue from facilities and equipment			
Finance income			
Miscellaneous income			
<b>Total Receipts</b>		<b>2,004,500</b>	<b>1,502,000</b>
<b>Payments</b>			
Use of goods and services		1,439,167	1,585,851
Employee costs		348,350	244,750
Board /Council Expenses		140,000	548,600
Repairs and maintenance		54,730	3,030
Contracted services			
Grants and subsidies			
<b>Total Payments</b>		<b>1,982,247</b>	<b>2,382,231</b>
<b>Net Cash Flows from operating activities</b>	47	<b>22,253</b>	<b>-885,406</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(68000)	(875,357)
Suspense		70,744	
Proceeds from sale of property, plant and equipment			
<b>Net cash flows used in investing activities</b>		<b>2,744</b>	<b>-875,357</b>
<b>Cash flows from financing activities</b>			
Proceeds From Borrowing			
Repayment Of Borrowings			
<b>Net cash flows used in financing activities</b>			
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>24,997</b>	<b>-1,760,763</b>
Cash and Cash equivalents at 1 JULY	26	260	1,761,023
<b>Cash and Cash equivalents at 30 JUNE</b>	26	<b>25,257</b>	<b>260</b>

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**18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024**

<b>Description</b>	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>	<b>Utilization Difference</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
<b>Revenue</b>						
Transfers from other National Government entities	2,000,000		2,000,000	2,000,000	=	100%
Grants from donors and development partners						
Transfers from other levels of government						
Public contributions and donations						
Rendering of services- fees from students	3,675,920		3,675,920	150,000	3,525,920	0.4%
Sale of goods						
Rental revenue from facilities and equipment						
Finance income						
Miscellaneous Income						
<b>Total Income</b>	<b>5,675,920</b>	<b>-</b>	<b>5,675,920</b>	<b>2,150,000</b>	<b>3,525,920</b>	<b>37.9%</b>
<b>Expenses</b>						
Use of goods and services	3,787,343	-	3,787,343	1,439,167	2,348,178	38%
Employee costs	354,000	-	354,000	348,350	5,650	98%

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Board /Council Expenses	160,000	-	160,000	140,000	20,000	87.5%
Repairs and maintenance	100,000	-	100,000	54,730	45,270	54.7%
Contracted services						
Grants and subsidies						
Finance Costs (Bank Charges)				-4018	-4,018	
<b>Total Expenditure</b>	<b>4,401,343</b>		<b>4,401,343</b>	<b>1,986,265</b>	<b>2,415,078</b>	
<b>Surplus For the Period</b>	<b>1,274,577</b>		<b>1,274,577</b>	<b>163,735</b>		
<b>Capital Expenditure</b>						

**(Budget notes)**

1. From money of service rendering we got deficit since students admitted were few
2. Expenses incurred changed due to change in rendering fee hence affecting the original budget
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis.

**19. Notes to the Financial Statements**

**1. General Information**

Narok South Technical and Vocational College is under the Ministry of Education, State Department for Technical and Vocational Training. In line with Technical and Vocational Education Training (TVET) Act of 2013 the institute has continually imparted its trainees with the necessary knowledge and skills for social economic development in business, science and technology.

The mandate of the institution is to train competent Human Resource for social economic development at TVET level. The institute's strategic obligations revolve around promoting Technical Training through access to quality training.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value where applicable. 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 college's accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act No. 18 of 24<sup>th</sup> July 2012, the State Corporations Act, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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**3. Adoption of New and Revised Standards**

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

There are no new standards adopted in the year ended 30th June 2024 by Narok South TVC

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

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

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

**iii. Early adoption of standards**

The college did not early adopt any new or amended standards in FY ending June 2024

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the college and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

The college recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

**b) Budget information**

The budget for FY 2023/2024 was prepared and approved by the Board of Governors. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the College upon receiving the respective approvals in order to conclude the final budget.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page number 8 of these financial statements.

**c) Taxes**

***Current income tax***

The College is exempt from paying taxes as per First schedule section 13 of the Income Tax Act 270, 2021

***Sales tax/ Value Added Tax***

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

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

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

**d) Investment property**

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

**e) Property, plant and equipment**

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

The depreciation on Property, Plant and Equipment has been provided at the following rates:

Asset	Rate
Land	0.00%
Buildings	2.00%
Plant, Machinery and Equipment	10.00%
Motor Vehicles	25.00%
Computers	30.00%
Furniture	10.00%
Intangible Assets	10.00%

**f) Leases**

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

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Narok South TVC does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one college and a financial liability or equity instrument of another college. At initial recognition, the college measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

### ***Financial assets***

#### ***Classification***

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

#### **Subsequent measurement**

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

#### **Amortized cost**

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

#### **Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

***Financial liabilities***

***Classification***

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

**j) Inventories**

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

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

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

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

**Inventories (Continued)**

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *College*.

**k) Provisions**

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

***Contingent liabilities***

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

***Contingent assets***

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

**l) Social Benefits**

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

**m) Nature and purpose of reserves**

Narok South TVC has not created or maintained reserves during the year under review.

**n) Changes in accounting policies and estimates**

The College does not recognize the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**o) Employee benefits**

**Retirement benefit plans**

The college provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an college pays fixed contributions into a separate college (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**p) Foreign currency transactions**

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

**q) Borrowing costs**

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

**r) Related parties**

The college regards a related party as a person or an college with the ability to exert control individually or jointly or to exercise significant influence over the College, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

**s) Service concession arrangements**

The college analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the college recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *College* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**t) Cash and cash equivalents**

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

**u) Comparative figures**

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

**v) Subsequent events**

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

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

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

### **Estimates and assumptions.**

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

### **Useful lives and residual values**

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

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

### **Provisions**

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

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**6. Transfers from other National Government entities**

<b>Description</b>	<b>2024</b>	<b>2023</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Unconditional Grants</b>		
Capitation Grants		
Operational Grant	2,000,000	1,500,000
Development grants		
Other Grants		
<b>Total unconditional Grants</b>	<b>2,000,000</b>	<b>1,500,000</b>
<b>Conditional Grants amortised/ recognised in revenue</b>		
Library Grant		
Hostels Grant		
Administration Block Grant		
Laboratory Grant		
Learning Facilities Grant		
Other Organizational Grants		
<b>Total Government Grants and Subsidies</b>	<b>2,000,000</b>	<b>1,500,000</b>

**(a) Transfers from other Government entities (Categorized)**

<b>Name of the College Sending The Grant</b>	<b>Amount recognized to Statement of Financial performance *</b>	<b>Amount deferred under deferred income</b>	<b>Amount recognised in capital fund.</b>	<b>Total grant income during the year</b>	<b>Comparative 2023</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
State Department of TVET	2,000,000	00	00	2,000,000	1,500,00
Ministry					
<b>Total</b>				<b>2,000,000</b>	<b>1,500,00</b>

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**7. Grants from Donors and Development Partners**

Description	2024	2023
	Kshs	Kshs
JICA- Research Grant		
World Bank Grants		
In-Kind Donations		
Donations transferred to revenue-conditions met		
Other Grants		
<b>Total Grants from Development Partners</b>		

**(a) Reconciliations of grants from donors and development partners**

Description	2024	2023
	Kshs	Kshs
<b>Balance unspent at beginning of year</b>		
Current year receipts		
Conditions Met - Transferred to Revenue		
<b>Conditions Yet To Be Met - Remain Liabilities</b>		

*(Provide brief explanation for this revenue)*

**8. Transfers from Other Levels of Government**

Description	2024	2023
	Kshs	Kshs
Transfer from County XX		
Transfer from XX University		
Transfer from XX Institute		
<b>Total Transfers</b>		

**9. Public Contributions and Donations**

Description	2024	2023
	Kshs	Kshs
Public Donations		
Donations from Local Leadership		
Donations from Religious Institutions		
Donations from Alumni		
Other Donations		
<b>Total Donations and Contributions</b>		

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**10. Rendering of Services**

Description	2024	2023
	Kshs	Kshs
Tuition Fees	150,000	2,000
Activity Fees		
Industrial Attachment Fees		
Examination Fees		
Library Fees		
Facilities And Materials		
Registration Fees		
Others		
<b>Total Revenue from The Rendering of Services</b>	<b>150,000</b>	<b>2,000</b>

**11. Sale of Goods**

Description	2024	2023
	Kshs	Kshs
Sale of Books		
Sale of Publications		
Sale of Farm Produce		
Cafeteria sales		
Other sales		
<b>Total Revenue from Sale of Goods</b>		

**12. Rental revenue from facilities and equipment**

Description	2024	2023
	Kshs	Kshs
Hire of Facilities and Equipment		
Contingent Rentals		
Operating Lease Revenue		
<b>Total</b>		

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**13. Finance Income**

Description	2024	2023
	Kshs	Kshs
Cash investments and fixed deposits		
Interest income from treasury bills		
Interest income from treasury bonds		
Interest from outstanding debtors		
Others		
<b>Total finance income</b>	-	-

**14. Miscellaneous Income**

Description	2024	2023
	Kshs	Kshs
Insurance recoveries		
Consultancy fees		
Income from sale of tender		
Services concession income		
Reimbursements and refunds		
Graduation fees		
Bad debts recovered		
Income written back		
Others		
<b>Total other income</b>	-	-

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**15. Use of Goods and Services**

Description	2023/2024	2022/2023
	Kshs	Kshs
Teaching and learning materials		
Industrial attachment costs	451,600	467,005
Electricity		
Water	64,500	93,065
Security		
Professional and consultancy services		
Subscriptions	83,950	60,400
Advertising	144,290	131,400
Examination fees		
Audit fees		
Catering, conferences, and delegations		
Travelling and accommodation	61,000	133,800
Fuel and oil		
Equipment and Stores	85,400	300,000
Legal expenses		
Licenses and permits		
Postage		
Printing and stationery	50,216	78,852
Hire charges		
Rent expenses		
Skills development levies		
Telephone expenses	31,985	59,195
Training expenses	466,226	248,020
Other ( <i>specify</i> )		
<b>Total good and services</b>	<b>1,439,167</b>	<b>1,585,851</b>

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**16. Employee Costs**

Description	2023/2024	2022/2023
	Kshs	Kshs
Salaries and wages	348,350	244750
Employee related costs - contributions to pensions and medical aids		
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
Social contributions		
<b>Employee Costs</b>	<b>348,350</b>	<b>244750</b>

**17. Board/Council Expenses**

Description	2023/2024	2022/2023
	Kshs	Kshs
Chairman's Honoraria		
Directors Emoluments		
Other Allowances		
Other Board/Council Expenses	140,000	548,600
<b>Total</b>	<b>140,000</b>	<b>548,600</b>

**18. Depreciation and Amortization expense**

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, plant and equipment	1,189,475	1,230,604
Intangible assets		
Investment property carried at cost		
<b>Total depreciation and amortization</b>	<b>1,189,475</b>	<b>1,230,604</b>

**19. Repairs and Maintenance**

Description	2023/2024	2022/2023
	Kshs	Kshs
Property		
Investment property – earning rentals		
Equipment and machinery		
Vehicles		
Furniture and fittings	54,730	3,030
Computers and accessories		
<b>Total Repairs and Maintenance</b>	<b>54,730</b>	<b>3,030</b>

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**20. Contracted Services**

Description	2023/2024	2022/2023
	Kshs	Kshs
Actuarial valuations		
Investment valuations		
Property valuations		
Other		
<b>Total contracted services</b>	<b>00</b>	<b>00</b>

**21. Grants and Subsidies**

Description	2023/2024	2022/2023
	Kshs	Kshs
Community Development		
Education Initiatives and Programs		
Social Development		
Social benefits expenses		
Community Trust		
Sporting Bodies		
Others		
<b>Total Grants and Subsidies</b>		

**22. Finance Costs**

Description	2023/2024	2022/2023
	Kshs	Kshs
Borrowings (Amortized Cost)*		
Finance Leases (Amortized Cost)		
Unwinding of Discount from lease liabilities		
Bank Charges	4018	5175
Interest on Loans from Commercial Banks		
Others		
<b>Total Finance Costs</b>	<b>4018</b>	<b>4018</b>

**23. Gain On Sale of Assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, Plant and Equipment		

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Intangible Assets		
Other Assets not capitalised		
<b>Total Gain On Sale of Assets</b>		

**24. Gain/(loss) on Fair Value Investments**

Description	2023/2024	2022/2023
	Kshs	Kshs
Fair value on equity investments		
Fair value arising from investment property		
Fair value arising from biological assets		
Fair value- other financial assets		
<b>Total Gain</b>		

**25. Impairment Loss**

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, Plant and Equipment		
Intangible Assets		
<b>Total Impairment Loss</b>		

**26. Cash and Cash Equivalents**

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Account	25,257	260
On - Call Deposits		
Fixed Deposits Account		
Staff Car Loan/ Mortgage		
Others		
<b>Total Cash and Cash Equivalents</b>	<b>25,257</b>	<b>260</b>

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**26 (a). Detailed Analysis of Cash and Cash equivalents**

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank		25,257	260
Equity Bank, etc.			
<b>Sub- Total</b>		<b>25,257</b>	<b>260</b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank			
Equity Bank – etc.			
<b>Sub- Total</b>			
<b>c) Fixed Deposits Account</b>			
Kenya Commercial Bank			
Bank B			
<b>Sub- Total</b>			
<b>d) Staff Car Loan/ Mortgage</b>			
Kenya Commercial Bank			
Bank B			
<b>Sub- Total</b>			
<b>e) Others</b>			
Cash in Transit			
Cash in Hand			
Mobile Money account			
<b>Sub- Total</b>			
<b>Grand Total</b>		<b>25,257</b>	<b>260</b>

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**27. Receivables from Exchange transactions**

**27 (a) Current Receivables from Exchange transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	145,500	81,100
Rent Debtors		
Consultancy Debtors		
Other Exchange Debtors		
Less: Impairment Allowance		
<b>Total Current Receivables</b>	<b>145,500</b>	<b>81,100</b>

**27 (b) Long- term Receivables from Exchange transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Non-Current Receivables</b>		
Refundable Deposits		
Advance Payments		
Public Organizations		
Less: Impairment Allowance		
<b>Total</b>		
Current Portion Transferred To Current Receivables		
<b>Total Non-Current Receivables</b>		
<b>Total Receivables</b>		

**27 (c) Ageing Analysis of Receivables from Exchange transactions**

Description	2023/2024		2022/2023	
	Kshs	% of total	Kshs	% of the total
	<b>Current FY</b>	<b>% of total</b>	<b>Comparative FY</b>	<b>% of the total</b>
Less than 1 year	145,500	%		%
Between 1- 2 years		%	81,100	%
Between 2-3 years		%		%
Over 3 years		%		%
<b>Total (a+b)</b>	<b>145,500</b>	<b>%</b>	<b>81,100</b>	<b>%</b>

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**27 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	xxx	xxx
Provisions during the year		
Recovered during the year		
Write offs during the year		
At the end of the year		

**28. Receivables from Non-Exchange transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*		
Transfers from Other Govt. entities		
Undisbursed Donor Funds		
Other Debtors (Non-Exchange Transactions)		
Less: Impairment Allowance		
<b>Total Current Receivables</b>		

(\*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

**28 (a) Ageing Analysis on Receivables from Non-Exchange Transactions**

Description	2023/2024		2022/2023	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	xxx	%	xxx	%
Between 1- 2 years	xxx	%	xxx	%
Between 2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
<b>Total</b>	<b>xxx</b>	<b>%</b>	<b>xxx</b>	<b>%</b>

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

Description	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year		
Additional provisions during the year		
Recovered during the year		
Written off during the year		
At the end of the year		

**29. Inventories**

Description	2023/2024	2022/2023
	Kshs	Kshs
Consumable stores		
Maintenance stores		
Health Unit stores		
Electrical stores		
Cleaning Materials stores		
Catering stores		
Less: Impairment allowance		
<b>Total Inventories at lower of Cost and Net Realizable Value</b>		

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**30. Investments in financial assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>a) Investment in Treasury Bills and Bonds</b>		
<b>Financial Institution</b>		
CBK		
CBK		
<b>Sub- Total</b>		
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank X		
Bank Y		
<b>Sub- Total</b>		
<b>c) Equity Investments (Specify)</b>		
Equity/ Shares in Company Xxx		
<b>Sub- Total</b>		
<b>Grand Total</b>		

**d) Shareholding in other entities**

For investments in equity shares listed under note 30 (c) above, list down the equity investments under the following categories:

Name of College where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	2023/2024	2022/2023
	%	%	%	Kshs	Kshs	Kshs
College A						
College B						
	xxx	xxx	xxx	xxx	xxx	xxx

**31. Prepayments**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Prepaid Rent		
Prepaid Electricity Costs		
Other Prepayments		
<b>Total</b>	00	00

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**32. Property, Plant and Equipment**

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1 July 2022 (previous year)</b>		56,774,332		86,408	261,800				57,201,909
Additions				79,369					79,369
Disposals									
Transfers/Adjustments									
<b>At 30<sup>th</sup> June 2023 (previous FY)</b>		56,774,332		165,777	261,800				57,201,909
Additions				68,000					68,000
Disposals									
Transfer/Adjustments									
<b>At 30<sup>th</sup> June 2024 (current year)</b>		56,774,332		233,777	261,800				57,269,909
<b>Depreciation And Impairment</b>									
<b>At 1 July 2022 (previous year)</b>									
Depreciation		1,135,486		16,578	78540				1,230,604
Disposals									
Impairment									
<b>At 30 Jun 2023</b>		1,135,486		16,578	78540				1,230,604
Depreciation		1,112,777		21,720	54,978				1,189,475
Disposals									
Impairment									
Transfer/Adjustment									
<b>At 30<sup>th</sup> Jun 2024 (current year)</b>		1,112,777		21,720	54,978				1,189,475
<b>Net Book Values</b>									

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Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 30 <sup>th</sup> Jun 2023		55,638,845		149,199	183,260				55,971,304
At 30 <sup>th</sup> Jun 2024		54,526,068		195,479	128,282				54,849,829

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**Notes to the Financial Statements (Continued)**

**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

**32 (b) Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land			
Buildings			54,526,068
Plant And Machinery			
Motor Vehicles including Motorcycles			
Computers and Related Equipment			128,282
Office Equipment, Furniture, And Fittings			195,479
<b>Total</b>			<b>54,849,829</b>

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**33. Intangible Assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>		
Additions		
<b>At end of the year</b>		
Additions—internal development		
<b>At end of the year</b>		
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>		
Amortization		
<b>At end of the year</b>		
Impairment loss		
<b>At end of the year</b>		
<b>NBV</b>		

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**34. Investment Property**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>At beginning of the year</b>		
Additions		
Disposal during the year		
Depreciation		
Impairment		
Gain or loss on fair value- if fair value is elected		
<b>At end of the year</b>		

**35. Biological Assets**

	2023/2024	2022/2023
	Kshs	Kshs
Cattle		
Trees		
Others		
<b>Total</b>		

**36. Trade and Other Payables**

Description	2023/2024		2022/2023	
	Kshs	% of the Total	Kshs	% of the Total
Trade payables	17,950		133,150	
Fees paid in advance				
Salary deductions				
Third-Party Payments				
Other Payables	374,000		374,000	
<b>Total Trade and Other Payables</b>	<b>391,950</b>		<b>507,150</b>	
<b>Ageing analysis:</b>	<b>2023/2024</b>	<b>% of the Total</b>	<b>2022/2023</b>	<b>% of the Total</b>
Under one year	391,950	%	507,150	xxx
1-2 years	xxx	%	xxx	xxx
2-3 years	xxx	%	xxx	xxx
Over 3 years	xxx	%	xxx	xxx
<b>Total</b>	<b>391,950</b>	<b>%</b>	<b>507,150</b>	<b>xxx</b>

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**37. Refundable Deposits from Customers/Students**

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Consumer deposits				
Caution money				
Other refundable deposits				
<b>Total Deposits</b>				
<b>Ageing analysis:</b>	<b>2023/2024</b>	<b>% of the Total</b>	<b>2022/2023</b>	<b>% of the Total</b>
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
<b>Total (to tie to totals deposits above)</b>	<b>xxx</b>	<b>%</b>	<b>xxx</b>	<b>%</b>

**38. Current Provisions**

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Balance at The Beginning of The Year</b>					
Additional Provisions					
Provision Utilised					
Change Due To Discount And Time Value For Money					
Transfers From Non -Current Provisions					
<b>Total Provisions</b>					

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**39. Finance Lease Obligation**

Description	2023/2024	2022/2023
	Kshs	Kshs
At the start of the year		
Discount interest on Lease Liability		
Paid during the year		
At end of the year		

**Maturity Analysis**

Period	Amount
	Kshs
Year 1	xxx
Year 2	xxx
Year 3	xxx
Year 4	xxx
Year 5 and Onwards	xxx
Less: Unearned Interest	(xxx)
<b>Total</b>	xxx

**Analysed as:**

Description	Amount
	Kshs
Current	xxx
Non- Current	xxx
<b>Total</b>	xxx

**40. Deferred Income**

Description	2023/2024	2022/2023
	Kshs	Kshs
National Government		
International Funding Bodies		
Public Contributions and Donations		
<b>Total Deferred Income</b>		

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The deferred income movement is as follows:

Description	National government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward				
Additions during the year				
Transfers to capital fund				
Transfers to income statement				
Other transfers				
Balance carried forward	00	00	00	00

Analysed as:

Description	Amount
	Kshs
Current	xxx
Non- Current	xxx
<b>Total</b>	<b>xxx</b>

**41. Employee Benefit Obligations**

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2023/2024	2022/2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Non-Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
<b>Total Employee Benefits Obligation</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

**Retirement benefit Asset/ Liability**

The college operates a defined benefit scheme for all full-time employees from July 1, 20xx. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

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Description	2023/2024	2022/2023
	Kshs	Kshs
Discount Rates	x%	x%
Future Salary Increases	x%	x%
Future Pension Increases	x%	x%
Mortality (Pre- Retirement)	x%	x%
Mortality (Post- Retirement)	x%	x%
Withdrawals	xx	xx
Ill Health	xx	xx
Retirement	xx years	xx years

**Recognition of Retirement Benefit Asset/ Liability**

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

Description	2023/2024	2022/2023
	Kshs	Kshs
The return on defined plan assets		
Actuarial gains/ losses arising from changes in demographic assumptions		
Actuarial Gains/ Losses Arising From changes In Financial Assumptions		
Actuarial gains and losses arising from experience adjustments		
Others		
Adjustments for restrictions on the defined benefit asset		
<b>Remeasurement of the net defined benefit liability (asset)</b>	<b>00</b>	<b>00</b>

- b) Amounts recognised in the Statement of Financial Position

Description	2023/2024	2022/2023
	Kshs	Kshs
Present value of defined benefit obligations(a)		
Fair value of plan assets(b)		
Funded status(=a-b)		
Restrictions on asset recognised		
Others		
<b>Net asset or liability arising from defined benefit obligation</b>	<b>00</b>	<b>00</b>

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The college also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The college's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. XXX per employee per month. Other than NSSF the college also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

**42. Payments received in advance.**

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Fees received in advance	xxx		xxx	
Others	xxx		xxx	
Total	xxx		xxx	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
<b>Total</b>	<b>xxx</b>	<b>%</b>	<b>xxx</b>	<b>%</b>

**43. Borrowings**

Description	2023/2024	2022/2023
	Kshs	Kshs
Balance at beginning of the year		
External borrowings during the year		
Domestic borrowings during the year		
Repayments of external borrowings during the year		
Repayments of domestic borrowings during the year		
Balance at end of the year	<b>00</b>	<b>00</b>

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**43 a) Analysis of External and Domestic Borrowings**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>External borrowings</b>		
Dollar denominated loan from 'xx organization'		
Sterling pound denominated loan from 'yyy organization'		
Euro denominated loan from zzz organization'		
<b>Domestic borrowings</b>		
Kenya shilling loan		
<b>Total balance at end of the year</b>	<b>00</b>	<b>00</b>

**43 b) Breakdown of Long and Short-Term Borrowings**

Description	2023/2024	2022/2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)		
Long Term Borrowings		
<b>Total</b>		

**44. Non-Current Provisions**

Description	Long service leave	Bonns Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year					
Additional Provisions					
Provision utilised					
Change due to discount and time value for money					
Less: Current portion					
<b>Total deferred income</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>

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**45. Service Concession Arrangements**

Description	2023/2024	2022/2023
	Kshs	Kshs
Fair value of service concession assets recognized under PPE		
Accumulated depreciation to date		
Net carrying amount		
Service concession liability at beginning of the year		
Service concession revenue recognized		
Service concession liability at end of the year		

**46. Social Benefit Liabilities**

Description	2023/2024	2022/2023
	Kshs	Kshs
Health social benefit scheme		
Unemployment social benefit scheme		
Orphaned and vulnerable benefit scheme		
People Living with disabilities benefit scheme		
Elderly social benefit scheme		
Bursary social benefits		
<b>Total</b>		
Current social benefits		
Non- current social benefits		
<b>Total (tie to totals above)</b>		

**47. Cash generated from operations.**

Surplus for the year before tax	2024	2023
	Kshs	Kshs
<b>Adjusted for:</b>		
Depreciation	xxx	xxx
Non-Cash grants received	(xxx)	(xxx)
Contributed assets	(xxx)	(xxx)
Impairment	xxx	xxx
Gains and Losses on Disposal of Assets	(xxx)	(xxx)
Contribution to provisions	xxx	xxx
Contribution to impairment allowance	xxx	xxx
Finance Income	(xxx)	(xxx)
Finance Cost	xxx	xxx

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<b>Surplus for the year before tax</b>	<b>2024</b>	<b>2023</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Working Capital Adjustments</b>		
Increase in Inventory	(xxx)	(xxx)
Increase in Receivables	(xxx)	(xxx)
Increase in Deferred Income	xxx	xxx
Increase in Payables	xxx	xxx
Increase in Payments received in advance	xxx	xxx
<b>Net Cash Flow from Operating Activities</b>	<b>xxx</b>	<b>xxx</b>

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**48. Financial Risk Management**

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

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

**(i) Credit risk**

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2023(previous year)</b>				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
<b>Total</b>				
<b>At 30 June 2024 (current year)</b>				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
<b>Total</b>				

**Financial risk management (continued)**

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

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uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The college has significant concentration of credit risk on amounts due from xxx

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

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2023 (previous year)</b>				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
<b>Total</b>				
<b>At 30 June 2024 (current year)</b>				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
<b>Total</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

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**(iii) Market risk**

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

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

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

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

**a) Foreign currency risk**

The college has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the college's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>			
Financial Assets (Investments, Cash, Debtors)			
Liabilities			
Trade and Other Payables			
Borrowings			
Net Foreign Currency Asset/(Liability)	<b>00</b>	<b>00</b>	<b>00</b>

The college manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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**Foreign currency sensitivity analysis**

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>20xx</b>			
Euro	10%	xxx	xxx
Usd	10%	xxx	xxx
<b>20xx</b>			
Euro	10%	xxx	xxx
Usd	10%	xxx	xxx

**b) Interest rate risk**

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

***Management of interest rate risk***

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

***Sensitivity analysis***

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

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**iv) Capital Risk Management**

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

Description	2023/2024	2022/2023
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
Capital Reserve		
<b>Total Funds</b>		
Total Borrowings		
Less: Cash and Bank Balances		
Net Debt/(Excess Cash and Cash Equivalents)		
<b>Gearing</b>		

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**49. Related Party Balances**

**Nature of related party relationships**

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

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

The transactions and balances with related parties during the year are as

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Sales to related parties</b>		
Sales of electricity to govt agencies		
Rent income from govt. agencies		
Water sales to govt. agencies		
Others		
<b>Total</b>		
<b>B) Purchases from related parties</b>		
Purchases of electricity from kplc		
Purchase of water from govt service providers		
Rent expenses paid to govt agencies		
Training and conference fees paid to govt. agencies		
Others		
<b>Total</b>		
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt		
Grants from County Government		
Donations in Kind		
<b>Total</b>		
<b>c) Expenses incurred on behalf of related parties</b>		
Payments of Salaries and Wages for xx Employees		
Payments for Goods and Services for XX		

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Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Total</b>		
<b>d) Key Management Compensation</b>		
Directors' emoluments		
Compensation to Key Management		
<b>Total</b>		

**50. Segment Information**

N/A

**51. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements		
Assets arising from determination of Court Cases		
Reimbursable Indemnities and Guarantees		
Others		
<b>Total</b>	<b>00</b>	<b>00</b>

**Contingent Liabilities**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Contingent Liabilities</b>		
Court Case Xxx against		
Bank guarantees in favour of subsidiary		
Contingent liabilities arising from Contracts including PPPs		
Others		
<b>Total</b>	<b>00</b>	<b>00</b>

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**52. Capital Commitments**

<b>Capital Commitments</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Authorised for		
Authorised and Contracted for		
<b>Total</b>		

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**53. Events After the Reporting Period**

There were material adjusting and non-adjusting events after the reporting period.

**54. Ultimate And Holding College**

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

**55. Currency**

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

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**20. Appendices**

**Appendix 1: Implementation Status of Auditor-General Recommendations**

The college will include recommendations of Auditor General in the amended financial statements as by the time this report was being prepared 2022/2023 audit had not been conducted.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	Audit committee sittings	- Appointment letters were there and one meeting was done. In future, we endeavour to familiarize all committee members with their respective roles in the committees they represent	Resolved	
	Non deduction and remittance of PAYE	The management is working towards being compliant with matters of remittance of PAYE as required by law	Not resolved	30 <sup>th</sup> July 2025
	Inadequate segregation of duties and supporting documents	All procurement or expenditures done in the college are now carried out as per Public Procurement and Asset Disposal Act 2015 and its regulations as required by law	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Failure to develop a risk management policy	A draft risk and fraud management policy is in place waiting approval	Resolved	

(i)



Name: SIMION CHEPLOGOI  
 Accounting Officer

Date : 20/9/2024

Appendix II: Projects Implemented by Narok South TVC



**Projects**

No projects yet.

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

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

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2						
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**Status of Projects completion**

*(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)*

	<b>Project</b>	<b>Total project Cost</b>	<b>Total expended to date</b>	<b>Completion % to date</b>	<b>Budget</b>	<b>Actual</b>	<b>Sources of funds</b>
1							
2							
3							

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**Appendix III- Inter-College Confirmation Letter**

Name of transferring college.....

Name of beneficiary college.....

Confirmation of amounts received by [Insert name of beneficiary College] as at 30 <sup>th</sup> June (2023/2024)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

**Head of Accounts Department - Disbursing College:**  
 Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary College:**  
 Name ..... Sign ..... Date.....

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**Appendix IV: Reporting of Climate Relevant Expenditures**

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

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**Appendix V: Reporting on Disaster Management Expenditure**

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