


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

 NATIONAL ASSEMBLY PAPERS LAID	
DATE:	17 JUN 2025
	DAY: TUESDAY
TABLED BY:	THE LEADER OF THE MAJORITY PARTY
CLERK-AT-THE-TABLE:	WILLIS OBIERO

**THE AUDITOR-GENERAL**

**ON**

**UGUNJA TECHNICAL AND VOCATIONAL COLLEGE**

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



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**UGUNJA TECHNICAL AND 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)**

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

**A. Acronyms**

AFI	Administration Finance and Infrastructure
ACE AFRICA	Action in the Community Environment in Africa
ARM	Audit and Risk Management
BOG	Board of Governors
CSR	Corporate Social Responsibility
CBET	Competency Based Education and Training
CSR	Co-operate Social Responsibility
ERT	Education Research and Training
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KEFRI	Kenya Forest Research Institute
KISM	Kenya Institute of Supplies Management
KNEC	Kenya National Examination Council
MOU	Memorandum of Understanding
NHIF	National Hospital Insurance Fund
NG CDF	National Government Constituency Development Fund
NSSF	National Social Security Fund
PFM	Public Finance Management
OSHA	Occupational Safety and Health Act
PSASB	Public Sector Accounting Standards Board
SDGs	Sustainable Development Goals
SRC	Salaries and Remuneration Commission
TVC	Technical Vocational College
TVETA	Technical, Vocational Education and Training Authority
TVET	Technical, Vocational Education and Training
UJTVC	Ugunja Technical and Vocational College
KTTC	Kenya Technical Trainers College
KMTC	Kenya Medical Training College
DANIDA	Danish International Development Agency
SHOFCCO	Shining Hope For Communities
UJTVC	Ugunja Technical and Vocational College

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**B. Definition of Key Terms**

<b>Fiduciary Management</b>	Members of Management directly entrusted with the entity's financial resources.
<b>Comparative Year</b>	Means a similar prior period in the previous Financial Year
<b>Work in Progress</b>	Means that the program/work is on going

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**2. Key Entity Information and Management**

**a) Background information**

Ugunja Technical and Vocational College is a public Technical & Vocational College established under the TVET Act 2013 on 23/01/2020. The college opened its doors to the first intake of students in January 2020. It is domiciled in Kenya, under the Ministry of Education, State Department for Technical Vocational Education and Training. In executing its core mandate, the college is licensed to offer the following courses that are domiciled in their respective departments:

<b>KNEC COURSES</b>	
<b>Mechanical and Automotive Engineering Department:</b> <ul style="list-style-type: none"> <li>i. Diploma in Mechanical Engineering (Production Option)</li> <li>ii. Diploma in Automotive Engineering</li> <li>iii. Craft Certificate in Mechanical Engineering (Production Option)</li> <li>iv. Craft Certificate in Automotive Engineering</li> <li>v. Metal Work Processing (Certificate)</li> </ul>	<b>Electrical and Electronics Engineering Department:</b> <ul style="list-style-type: none"> <li>i. Diploma in Electrical Engineering</li> <li>ii. Craft Certificate in Electrical Engineering</li> <li>iii. Artisan in Electrical Engineering</li> </ul>
<b>Building And Civil Engineering Department:</b> <ul style="list-style-type: none"> <li>i. Diploma in Building Technology</li> <li>ii. Certificate in Building Technology</li> <li>iii. Certificate in Plumbing Technology</li> <li>iv. Artisan in Plumbing</li> </ul>	<b>Business Studies Department</b> <ul style="list-style-type: none"> <li>i. Diploma In Supply Chain Management</li> <li>ii. Certificate In Supply Chain Management</li> </ul>
<b>Computing and Informatics Department:</b> <ul style="list-style-type: none"> <li>i. Diploma in ICT</li> <li>ii. Craft Certificate in ICT</li> </ul>	<b>Institutional Management Department</b> <ul style="list-style-type: none"> <li>i. Diploma In Food and Beverage</li> <li>ii. Certificate In Food And Beverage</li> <li>iii. Artisan in Food and Beverage</li> <li>Artisan In Hair Dressing And Beauty Therapy</li> </ul>
<b>Liberal Studies Department:</b> <ul style="list-style-type: none"> <li>i. Diploma In Social Work And Community Development</li> <li>ii. Certificate In Social Work And Community</li> </ul>	
<b>CBET COURSES</b>	
<b>Mechanical and Automotive Engineering Department:</b> <ul style="list-style-type: none"> <li>i. Mechanical Technology Level 6</li> <li>ii. Mechanical Technology Level 5</li> <li>iii. Automotive Engineering Level 6</li> <li>iv. Automotive Engineering Level 5</li> <li>v. Welding And Fabrication Level 6</li> <li>vi. Welding And Fabrication Level 5</li> </ul>	<b>Electrical and Electronics Engineering Department</b> <ul style="list-style-type: none"> <li>i. Electrical engineering Level 6</li> <li>ii. Electrical engineering Operator Level 5</li> <li>iii. Electrical Installation Level 4</li> </ul>
<b>Building and Civil Engineering Department:</b> <ul style="list-style-type: none"> <li>i. Building Technician Level 6</li> <li>ii. Building Technician Level 5</li> <li>iii. Masonry Level 4</li> <li>iv. Plumbing Technician Level 5</li> <li>v. Plumbing Technician Level 4</li> </ul>	<b>Computing and Informatics Department:</b> <ul style="list-style-type: none"> <li>i. Information Communication Technician Level 6</li> <li>ii. Information Communication Technician Level 5</li> </ul>

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<p><b>Liberal Studies Department:</b></p> <ul style="list-style-type: none"> <li>i. Social work and Community Development Level 6</li> <li>ii. Social work and Community Development Level 5</li> </ul>	<p><b>Institutional Management Department:</b></p> <ul style="list-style-type: none"> <li>i. Food and Beverage Sales and Service Management Level 6</li> <li>ii. Food and Beverage Sales and Service Management Level 5</li> <li>iii. Food and Beverage Sales and Service Management Level 4</li> <li>iv. Food and Beverage Production (Culinary Arts) Level 6</li> <li>v. Food and Beverage Production (Culinary Arts) Level 5</li> <li>vi. Food and Beverage Production (Culinary Arts) Level 4</li> </ul>
<p><b>Cosmetology and Fashion Design Department:</b></p> <ul style="list-style-type: none"> <li>i. Hair Dressing Level 5</li> <li>ii. Hair Dressing Level 4</li> <li>iii. Beauty Therapy Level 5</li> <li>iv. Beauty Therapy Level 4</li> </ul>	
<p><b>Business Studies Department</b></p> <ul style="list-style-type: none"> <li>i. Supply chain management Level 6</li> <li>ii. Supply chain management Level 5</li> </ul>	

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#### **b) Principal Activities**

The principal mandate of Ugunja Technical and Vocational College is to offer Technical and Vocational Training.

**VISION:** A trend- setter in provision of transformative Training, Research and Innovation a transformative center of excellence in technical and business areas of training.

**MISSION:** To produce a transformative graduate with adaptive and innovative skills to face lifetime global challenges.

**CORE VALUES:** Professionalism, Team Work, Equity, Social Responsibility, Ethics and Integrity, Honesty, Transparency & Accountability and Respect.

**CORE OBJECTIVES:** The objectives and functions of the College are to;

- i. Provide directly, or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional and scientific education;
- ii. Participate in technological innovation as well as in the discovery, transmission and enhancement of knowledge and to stimulate the intellectual life in the economic, social cultural, scientific, and technological development;
- iii. Contribute to industrial and technological development of Kenya in collaboration with industry and other organizations through transfer of technology;
- iv. Examine and make proposals for new diploma courses and subjects of study, departments, resource and research and innovation;
- v. Promote and establish a culture of innovation in engineering and technology, and technology transfer amongst staff and trainees;
- vi. Develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology, its development, impact and application within and outside Kenya.
- vii. Provide adequate and appropriate skilled Artisans, Craftsmen, Technicians and Technologists at all levels of the economy through practical training and work experience;
- viii. Provide increased training opportunities for the increasing school leavers and other trainees to increase employability;
- ix. Provide continuous upgrading of skills and knowledge at the pace and ability of the trainees;
- x. Provide a dynamic curriculum responsive to the manpower needs of a dynamic economy;
- xi. Impart marketable skills, technical know-how and attitudes that respond to contemporary labour market demands by the industry, informal sector and for self-employment;
- xii. To enhance the college and community social development through the promotion of effective broad based corporate social investment projects, while promoting access, sustainable use and benefit sharing of resources

#### **c) Key Management**

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

- Board of Governors
- Accounting Officer /Principal
- Principal's Management Committee (PMC)
- Academic Committee

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**d) Fiduciary Management**

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

SN.	Designation	Name
1.	Principal	Mrs. Audrey M.A Odhiambo.
2.	D/Principal Administration	Mr. Maricus Ahomo
3.	D/Principal Academics	Mr. Alex Owiti
4	Head of finance	Mr. Evans Oyugi
5.	Supply chain officer	Ms. Mary Oduor
6.	Ag. Dean	Mr. Evans Nadecho
7	Ag. Registrar	Mr. Geoffrey Ayoyi
8.	Human Resource clerk	Mr. Kevin O. Ochieng
9.	Performance Contracting Coordinator	Mr. Job O. Okuthe

**e) Fiduciary Oversight Arrangements**

The college has put in place measures and structures to enforce fiduciary and oversight arrangements and ensure compliance. The Board is which is the overall governance organ so far comprises of three key committees; the Administration, Finance and Infrastructure (AFI) committee, the Education, Research and training (ERT) committee and the Audit and risk Management committee(ARM). These committees provide policy direction and oversight to the College Management while advising on various policy matters relating to their mandate.

The main objective of the Administration, Finance and Infrastructure (AFI) committee is to assist the board in discharging its duties in relation to effective and efficient utilization of all the resources, operation of adequate systems, safeguarding of assets, control processes, preparation of accurate financial reporting and statements in compliance with all applicable legal requirement and accounting standards. The AFI Committee, as a Standing Committee of Board, will collaborate with, and respond to, Board to:

- i. Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource mobilization practices including recruitment, reward, retention, motivation and development of the Institution's staff;
- ii. Oversee the Institution's compliance with legal, statutory and regulatory requirements relating to finance, infrastructure and resource mobilization matters as well as compliance with ethical and quality standards adopted by the Institution.
- iii. Receive and consider proposals and reports on matters relating to finance, development projects and resource mobilization in the Institution and its campuses.
- iv. Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of the Institution.
- v. Report to Board on a regular basis regarding matters considered in each of the committee's meetings.

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The Education, Research and Training (ERT) committee of the Board Oversees the development and administration of policies, procedures and strategies that will promote high quality education, research and training across the Institution. The Committee, as a Standing Committee of Board, will collaborate with, and respond to, Board:

- i. To oversee the development and administration of policies, procedures and strategies that will promote high quality education, research and training across the Institution;
- ii. To guide the Institution to meet its strategic aims and objectives in relation to education, research and training activities;
- iii. To develop high quality education courses and other activities to promote good practice within the relevant fields.

The AUDIT and Risk Management Committee oversees the implementation of appropriate systems to identify, monitor and mitigate significant risks. The ARM Committee, as a Standing Committee of the Board, shall provide assistance to the Principal or to the Board and shall involve in all or a combination of the following duties and responsibilities:

- i. Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
- ii. Oversee the implementation of developed policies, procedures and strategies that will promote effective and efficient management systems within Ugunja Technical and Vocational College;
- iii. Provide an independent review of the Institutions' reporting functions to ensure the integrity of the financial reports.
- iv. Ensure the Institution effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behavior.
- v. Provide oversight of the implementation of accepted audit recommendations and consider reports on matters relating to audit.
- vi. Provide strong and effective oversight of the Institution's internal audit function
- vii. Report to Board regularly regarding matters considered in each of the committee's meeting. Further, the college has developed financial regulations and procedures and also submits its quarterly and annual financial statements and accounts to the relevant authorities for audit.

**f) College main Campus**

P.O. Box 300-40606  
Along Rambula - Sigomere road  
Ugunja, Kenya

**g) College Contacts**

Telephone: (+254)791226786  
E-mail: [info@ugunjatvc.ac.ke](mailto:info@ugunjatvc.ac.ke)/[ugunjatechcollege@gmail.com](mailto:ugunjatechcollege@gmail.com)  
Website: [www.ugunjatvc.ac.ke](http://www.ugunjatvc.ac.ke)

**h) College's Bankers**

Kenya Commercial Bank  
Kisumu Airport Branch  
P.O. Box 2093-40100  
Kisumu, Kenya

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**i) Independent Auditors**

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

**j) Principal Legal Adviser**

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

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**3. The Board of Governors**



**Eng. Peter Oloo Okaka**  
Chairman

Engineer Okaka is the Chairman of the Board of Governors. He was born in 1945. He is a distinguished, renowned Mechanical Engineer and Education expert with over 30 years' experience having risen through the ranks to the current position. He is a holder of Masters of Science degree in Mechanical Engineering and a Bachelor of Science degree in Mechanical Engineering. He was appointed as Chairman of the College board for a term of three years with effect from 18<sup>th</sup> January 2023.

He previously served as Deputy Principal, KTTC from 1979 to 1981, after which he served as the Principal, Kenya Polytechnic from 1982-1985, where he oversaw transformation of the TVET college. Eng. Okaka was later in 1986 appointed as the Senior Deputy Director of Education at the Ministry of Education where he served till 1987. In 1988 to 2002 he also served as the Director Technical Training & Applied Technology. He is also a practising educator as a lecturer from 2007 to 2008 where he was on Part-time mode but currently full-time lecturer at the School of Engineering and Technology, Kenyatta University. While at the Kenyatta University from the year 2012 to date, He serves as the Chairman, Mechanical Engineering department, School of Engineering and Technology serves as the chairman where he successfully initiated and carried out Staff professional programmes, workshops which culminated into accreditation mechanical engineering.





**Audrey M. A Odhiambo**  
Principal/BOG Secretary

Mrs Odhiambo is the Chief Executive Officer and was appointed as the pioneer Principal of Ugunja Technical and Vocational college with effect from 29th June 2019 hence becoming the pioneer Secretary to the Board. She was born in 1971 and holds a Master's degree in Education (Guidance and Counselling) from Maseno University and Bachelor's degree in Education (Science) from Kenyatta University.

Before Joining Ugunja TVC, she served as the Deputy Principal Siaya Institute of Technology from 2016 to 2019. Prior to this position, she served as the deputy Dean of Students in charge of Guidance and counselling department from 2015 to 2016. She also served in the same capacity previously at Migori Teachers Training College from 2010 to 2013. Prior to this, She was the head of department Biological Sciences department from 1999 to 2008 at St. Marys School, Yala, where she began her teaching career (biology /chemistry) in 1994. She has consistently produced excellent results and performance.

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	<p>Mrs Alice Keboga is a member of the Board appointed as a member of the Ugunja Technical and Vocational college with effect from 18th January 2023. She was born in 24/11/1979 and is a holder of a Masters in Public health (health promotion Option), Bachelors of Science degree in Community health and development, from Jaramogi Oginga Odinga University. She is a certified Nurse with the Nursing Council Of Kenya. She is career Nurse currently Attached to Soi Sub-county overseeing HIV prevention from Mother to child Transmission. She is also working with the AMPATH-UZIMA an NGO that is USAID funded. She has attended a health research course and is also an HIV - AIDs Technical advisor. Previously she was a part-time Lecturer at Ugenya KMTC from 2019 May - 2023 January.</p>
<p><b>Alice Keboga</b> BOG Member</p>	<p>Dr. Neddy Cherotich Soi professional Lecturer at Moi University. She was born in 26/01/1988. She was appointed as a member of the board of Ugunja TVC with effect from 18th January 2023. He is a holder of Doctorate in Business Management (finance) from Moi University, Master's Degree in Banking and finance – financial sector policy from Moi University- Kenya School of Monetary studies. Bachelor's degree in Business management –banking and finance from Moi University. She is currently pursuing Certified Public Accountant Course. He has under gone extensive training on financial accounting and management and has gained immense skills in the course of her career. She is a Lecturer at Moi University-Annex Campus since 2015 to date She is a renowned researcher and has published several journals and is still working on others for publishing.</p>
	<p>Mr Lucas Ocharo is a professional educationist. He was born in 25/12/1959. He was appointed as a member of the Board of Ugunja Technical and Vocational College with effect from 18th January 2023 and is the chairman of Audit and Risk Management BOG Committee. He is a holder of Post Graduate Diploma in leadership and ICT from Dublin City and Bachelor's Degree in Education Science from University of Nairobi. Currently, he is pursuing a Master's degree in Education Technology. He is a consultant in leadership. He has been an Assistant Director of TVET manning Nyanza Region. Previously was a trainer in various TVET institutions s in the Country.</p>
<p><b>Dr. Neddy Cherotich Soi</b> BOG Member</p>	<p><b>Mr. Lucas Ocharo</b> BOG Member</p>

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**Dr. Rozilla Adhiambo**  
 BOG Member (Chairperson,  
 Education Research And  
 Training BOG Committee)

Dr. Rozilla Adhiambo is the programme Manager with Africa Council for Religious leaders - Religions for peace. She was born in 20/08/1964. She was appointed as a member of the Board of Ugunja Technical and Vocational College with Effect from January 2023.

She is a distinguished, seasoned program manager and has gained wide experience in Project Management having served in various positions and fields. She is a holder of PhD in Strategic Management, Master's degree in Strategic Management, Bachelor's degree in human resource management and Diploma in Education. Currently, she lectures in Several Universities in Kenya and has publications in revered journals.

She served as a centre coordinator at the Ugunja campus of Jaramogi Oginga Odinga University of science and Technology 2014 to 2017. Prior to this, in 2015-2016 she served as a Program Manager with CDTF/ DANIDA.

In 2011 she served as a Grants Officer at Pathfinder international in 2011. She also served as Programme manager & Officer from 2006 to 2011 at the Rangala Family Dev Programme. From 1999 to 2006 she served as the Education Project coordinator at Africa Network for prevention and protection against child abuse and Neglect. She began her career as a teacher in the early years of 1989 to 1999.






**Mr. Umijah Ben Karilus**  
 BOG Member (Chairperson –  
 Administration, Finance and  
 Infrastructure Committee)

Mr Karilus Ben Nyaoro Umija is the Chairman of the Administration, Finance and Infrastructure BOG committee. He was born on 23/09/1954. He is a holder of Bachelor of Education, (B .Ed) degree.

He has risen up the ranks as an educator with over 30 years teaching experience as an educator. Served as a teacher from 1980 to 1989 when was appointed as the Principal of Sirembe mixed Secondary School where he served for twelve years. He was later appointed to Maliera Boy's High school in the same capacity for where he served for seven years. He also served as the Principal of Tabaka high School, Kisii School for one year before finally serving at the St. Mark's Obambo secondary school from 2011 to 2014 where he retired. He has gained wide experience in leadership and management and is a great resource to the college. He is the Governor's representative in the Board and was duly appointed in 2023.




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	<p>Eng. Jane Pauline Maeri Mito is a Civil and Structural Engineer. She was born in 19/07/1991. She was appointed as a member of the Board of Ugunja Technical and Vocational College with effect from January 2023 for three years. She is a holder of Bachelor's Degree in Civil and Structural Engineering. She has served in various positions and fields and gained wide experience. While at Kenya National Highways Authority in the Road asset and corridor management project she served as an Assistant Engineer from 2019 to date. Prior to this she served as Deputy Resident Engineer, from February 2018 to June 2019. Before this, she worked at Kabuito Contractors Limited from the year 2017 to January 2018. During the period ranging May 2016 to September 2016 she served at the Kenya Rural Road Roads Authority</p>
<p><b>Eng. Jane Pauline Maeri Mito</b> BOG Member</p>	<p>Counsel Vivianne Mmbaka Komwonyo is a professional Legal Counsel. She is a member of the Education Research and Training (ERT) BoG committee from 18th January 2023 and she was appointed, for three years from January 2023. She was born on 03/04/1984. She is a holder of Masters of Law from UON, Bachelor of law from MOI university, (B. Ed) degree. She is a seasoned counsel of the high court. Further she has served as a County Attorney.</p>
	<p>Mr John Wamae is the representative of the Principal Secretary State Department for TVET in the Board. He was born in 1969. He is a holder of Master's degree in Statistics and a Bachelor's of Science degree holder in Mathematics. He has a wealth of experience TSC as a teacher and has rose up the ranks to become Quality Assurance and Standards Officer for TVET and currently is the TVET Regional Director for TVET Kisumu.</p>
<p><b>Vivianne Mmbaka Komwonyo</b> BOG Member</p>	
<p><b>John Wamae</b> County Director</p>	




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**4. Key Management Team**

The following members of staff served in the Principal's Management committee during the period ended 30<sup>th</sup> June 2023.

PMC Members	Responsibility
 <p><b>Audrey M.A Odhiambo</b> Principal/BOG Secretary M. Ed, B Ed (Science)</p>	<p>Chief Executive Officer/Principal is responsible for the day to day operations at the college</p>
 <p><b>Maricus Omolo Ahomo</b> The Deputy Principal, Master of Science (Applied Mathematics), B ED</p>	<ul style="list-style-type: none"> <li>a) The Principal assistant to the Principal and takes charge of all institutions' administration in the absence of the principal.</li> <li>b) Maintains trainees' discipline.</li> <li>c) Supervises and maintain proper inventories (Equipment and supplies).</li> <li>d) In -charge of curriculum implementation</li> </ul>
 <p><b>Alex Ochieng Owiti</b> The Deputy Principal Academics, Master of Art ( Project Planning and Management) and B ED(Arts)</p>	<ul style="list-style-type: none"> <li>a) The Principal assistant to the Principal and takes charge of all institutions' academic in the absence of the Principal.</li> <li>b) Maintains trainees' discipline</li> <li>c) Supervises implementation of academic programs.</li> <li>d) In -charge of curriculum implementation</li> </ul>

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 <p><b>Geoffrey Ayoyi</b>  The Ag Registrar  B Sc. Mathematics and Computer Science</p>	<ul style="list-style-type: none"> <li>a) Responsible for management of trainees' information on enrolment, registration, attendance, academic results, assessment and graduation.</li> <li>b) Advising trainees on available career and sponsorship options</li> <li>c) Coordinates institutions learning and marketing programs.</li> </ul>
 <p><b>Evans N Nadecho</b>  The Ag. Dean of students  B Sc. in agricultural engineering.</p>	<ul style="list-style-type: none"> <li>a) In charge of administration and enforcement of college policies relating to trainees' affairs and discipline, addressing questions and concerns by managing their budget for their activities, coordinating their housing, health and extra-curricular services.</li> <li>b) Updating all relevant students' resources &amp; coordinating all non-academic student related programs</li> </ul>
 <p><b>Job Okuthe</b>  Performance Contract Coordina  B.SC Electrical and Electronics Engineering</p>	<p>In charge of planning, coordination and implementation of Performance Contract at the College.</p>

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 <p><b>Evans Oyugi</b>  Accountant  CPA 'K', B .com Degree in  Commerce, Accounting Option</p>	<p>In charge of:</p> <ol style="list-style-type: none"> <li>Reconciliation of trainee's fees records and issuing of fee statements to trainees</li> <li>Filing of accounting documents</li> <li>Receiving college revenues and issuing receipts</li> <li>Processing of payment vouchers</li> <li>Bank reconciliations and maintenance of cash book</li> <li>Preparation of final accounts and reports/statements</li> <li>Payroll processing and payment of statutory deductions</li> </ol>
 <p><b>Mary Anyango Oduor</b>  Procurement Clerk  Diploma IN SUPPLY CHAIN MNGT  Registered as A Practitioner with (KISM)</p>	<p>In charge of:</p> <ol style="list-style-type: none"> <li>Preparation of purchase orders</li> <li>Schedule deliveries for supplies, goods and services.</li> <li>Provision of support in drafting tender inquiries/ documents</li> <li>Keep procurement records and reports on supply costs</li> <li>Update the supplier register to quick procurement of goods and services</li> <li>Attend to purchase enquiries across the departments to ensure they are well informed of procurement progress</li> <li>Develop and implement the institution procurement plan.</li> </ol>
 <p><b>Kevin Ochieng Oduor</b>  Human Resource  Clerk( H/DIP,HR, Diploma in  Human Resource member if  Kenya Institute of Human  Resource Management</p>	<p>In charge of:</p> <ol style="list-style-type: none"> <li>Effectively assist the public and employees;</li> <li>Prepare, process and review a variety of documents such as applications, employee files, payroll records, for completeness, accuracy and submission standards.</li> <li>Assist in processing unemployment claims, personnel action forms, and employment verifications.</li> <li>Assist in administering the employees benefits program and activities.</li> <li>Schedule and organize meetings, sort and distribute mail; maintain employee and departmental files.</li> <li>Assist in the recruitment process; mail applicant notifications and administer typing tests.</li> </ol>

**Ugunja Technical and Vocational College**  
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**5. Chairman's Statement**

The college was launched on 31st AUGUST 2019. The Second Board of Governors (BOG) were duly appointed in January 2023 inaugurated on 20th February, 2023 and inducted in APRIL 2023 in line with the TVET ACT NO. 29 of 2013. Board of Governors comprise ten members including the Principal and the County Director TVET: who is the representative of the Principal Secretary, State department for Technical, Vocational Education and Training.

The Board of Ugunja TVC is established pursuant to the provision of TVET ACT No 29 of 2013 and mandated to: Oversee conduct of education and training, promote and maintain standards, quality and relevance; Administer and manage college property; Develop and implement the strategic plan; Prepare annual estimates of revenue and expenditure and incur expenditure on behalf of the institution; on behalf of the institution receive fees, grant, subscriptions, donations, bequests or other monies and make disbursements to the college or other bodies or persons determine the fees payable prescribing the condition under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET ACT No 29 of 2013. Pursuant to the provisions of TVET ACT 29 of 2013 which empowers the Board as the governing organ to "set up such committees as may be appropriate, three committees: The Administration, Finance and Infrastructure (AFI), Education, Research and Training (ERT) and Audit and Risk Management (ARM) committees were operational during this financial year 2023-2024. The ten board members are divided into three sub committees under the chairmanship of Eng. Peter Oloo Okaka as follows;

<b>Board Committees</b>	<b>Members</b>	
Administration, Finance and Infrastructure (AFI) Committee	Mr. Karulis Umija	Chairperson
	Dr. Neddy Jerotich Soi	Member
	Mrs Alice Keboga	Member
Education, Research and Training (ERT) Committee	Dr. Rozilla Adhiambo	Chairperson
	Mrs. Alice KeBoGa	Member
	Counsel. Vivianne Mmbaka	Member
	Mr. John Wamae	Member
	Mrs Alice Keboga	Member
Audit and Risk Management (ARM) Committee	Mr. Lucas Ocharo	Chairperson
	Mr. John Wamae	Member
	Ms. Jane Pauline Maeri Mito	Member
	Internal Auditor	Member

The Principal is the secretary to all the BOG committee meetings except for the ARM committee where the Internal Auditor is the secretary.

The board prepared a work plan that was approved for use for the financial year 2023/2024. It was aligned to the Strategic Plan and ensured compliance with all of the relevant statutory and regulatory requirements. During the year ending 30th June 2024, the BOG ensured compliance with all of the relevant statutory and regulatory bodies.

The college had 19 Public Service Commission (PSC) trainers. In order to cater for the deficit during the year, several other trainers (24) were contracted on BOG terms: twenty-four trainers were contracted on BOG terms.

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One trainer who pursuing her degree in Mechanical Engineering course at Technical University of Mombasa (TUM) completed in this financial year. One trainer from mechanical engineering team transferred to Rarieda TVC, the Deputy Principal academics transferred to Siala TVC and one other left for Study leave. We had 8 trainers on teaching practice, one intern and 4 attachés, two apprentice in the procurement and accountant's departments respectively.

**On infrastructure;**

The college did not manage to continue with all internally funded projects as planned due to insufficient disbursement of FY 2023/2024 capitation and Government Scholarship. The annual approved development fund of Kshs 20,000,000 amount was slashed to 5,000,000 in first quarter due to austerity measures by the government and in the third Quarter the institution received Kshs 3,925,000 (million) for the same project. The construction work for the proposed and Civil engineering workshop phase 1A was work-in- progress.

**On funding:**

The following table summarizes the funding as received;

SR NO.	FINANCIER	AMOUNT	BENEFICIARIES
1	HELB -LOAN	16,127,028.79	885
2	HELB BURSARY	395,000	79
3	BURSARIES	1,331,000	192
4	CAPITATION GRANT	11,956,925	865
5	DEVELOPMENT GRANT	3,925,000	
6	DIRECT FEES PAYMENT	12,951,309.06	
7	PU	29,010	
TOTAL		46,715,272	

The total expected revenue was Kshs 115,465,090.00 thus the deficit was at Kshs 68,749,363

**CHALLENGES**

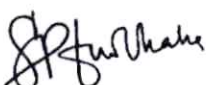
The major challenge that the institution faced was late, inadequate and inconsistent disbursement of the Government capitation grant and scholarship grant to meet its budgetary obligation typified by insufficient disbursement of all the Quarters' Capitation and scholarship by the Government. Given the exponential growth/enrolment and financial status of the institution, the BOG surveyed other sources of resource mobilization by successfully appealing to the Ugunja CDF through the Honorable Member of Parliament to support the institution by having a bus, ACE Africa to sponsor young mothers among other financiers. Further, the Board, through the secretary did a follow-up on the monies owed by the government for possibilities of making good its pledges on funding and also follow up on the Building and Civil engineering complex proposal which was successful in that institution was granted another Kshs 3,925,000 by the Principal Secretary, State Department for Technical, Vocational, Education and training, Ministry of Education. The board has approved the proposals for production units as an alternative of funding its own activities and the management was able to acquire a heifer to supplement for its food and beverage departmental requirement. Finally, the board also appeals to the relevant Government agencies release funds in good time to enhance quality service delivery.

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As a way of ensuring quality service delivery and performance management, the Board prepared an annual work plan to ensure that what gets measured gets done. With this, the college was roped into the 20th Cycle Performance Contract (PC), timely submitted its 1st, 2nd, 3rd and 4rd quarterly reports to the relevant agencies, and is to be evaluated in October 2024. The previous Cycle 19 was evaluated and rated at a composite score of 3.014 which is equivalent to Good performance. The BOG commits to continue partnering with all other relevant stakeholders as a way of supporting the management in offering top notch training and become the Centre of excellence that this great college is marked for.

Sign:



Date: 15/05/2025

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**6. Report of the Chief Principal**

Ugunja Technical and Vocational College is a growing public Technical and Vocational institution in fourth year of operation. It was launched on 31st August 2019. The new Board of Governors (BOG) were nominated, duly appointed in January 2023, inaugurated in February, 2023 and inducted in April 2023 in line with the TVET ACT NO. 29 of 2013. Board of Governors comprise of ten members including the Principal and the County Director TVET: who is the representative of the Principal Secretary.

The management is in the process of continual establishment of its structures to serve and anchor its vision on a solid foundation and entrench it on key values and attitudes relevant to training graduates who can competently manipulate every opportunity.

The institution was completed its tenth, eleventh and twelfth academic terms in the FY2023-2024 fourth year of being operationalized. Structures, policies, procedures and processes were still being developed and some reviewed to align them with the change of curriculum, emerging issues and with the policies of the Government of the Day. The annual report FY 2023-24 report is hereby presented as per the provisions of the relevant statutory and regulatory requirements.

The college had a lean non-teaching staff (12), three cleaners, two administrative assistants, one procurement officer, one accountant, one technician, one human resource officer, one intern and two apprentice. The Government through the Public Service Commission had posted fifteen trainers who also served in (2) Administration, ICT department (2) and Mechanical Engineering Department (6) and Electrical Engineering Department (3), (1) Food and Beverage (1) Building and Civil Engineering hairdressing (0). Five new trainers were posted in the second quarter. By the end of the financial year one was on transfer, another one left as one other Deputy Principal reported for only two terms thus reducing our number to eighteen (18).

In order to cater for the deficit during the first quarter, 24 other trainers were contracted on BOG terms. Three trainers completed their pedagogical upscaling at Kenya Teachers Trainers' College while one who was pursuing her degree Mechanical Engineering course at Technical University of Mombasa (TUM) in this financial year completed.

We did implement the Competency Based Education Training (CBET), so as to conform to global skills requirement and meet the local market demand for manpower and product by rolling out 33 new CBET courses.

During the first Quarter, the college had a total enrolment of 1195 trainees at the beginning of JULY 2023 Term. The eighth cohort of 117 trainees were admitted in September-November 2023 term and the enrolment stood at 1308 at the end of the period 30th September 2023. The second ever batch of Fifty-one (51) trainees completed their exams and thus churned out to the job market. In this first quarter FY 2023/2024, 199 trainees proceeded for their industrial attachment. The July-September 2023 term was not actualized as planned, given that the quarter ended without having received Quarter one FY 2023/2024 capitation grant.

During the second Quarter, the eighth cohort of trainee intakes were in session together with other trainees and the enrolment stood at 1308 at the end of the period 31st December 2023. The fifth lot of 183 candidates who registered sat for their NOVEMBER 2023 KNEC series and the fourth set of

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finalist trainees completed their exams and thus churned out to the job market

The October–December 2023 term was not actualized as planned, given that the quarter ended having received less Quarter one FY 2023/2024 capitation grant of Kshs 3,304,000 instead of K.sh. 7,080,000 thus giving us a deficit of 3,776,000. Further, the Quarter two FY 2023/2024 capitation grant was not received thus operated at a cumulative deficit of expected KSH 9,303,500 (5,527,500 +3,776,000).

During third Quarter ending 31st March 2024, the ninth cohort of 102 trainees were admitted in January- March 2024 term and the enrolment stood at 1459 at the end of the period 31st March 2024. The fifth set of finalists' trainees completed their exams and thus churned out to the job market. The January – March 2023 term was not actualized as planned, given that the quarter ended having received less Quarter two FY 2023/2024 capitation grant of Kshs 2,579,500 for 737 trainees instead of Kshs 5, 527,500 thus giving us a deficit of 2,948,000. Further, the FY 2023/2024 Quarter three expected capitation grant was received less 2,579,500 for 737 trainees thus operated at a cumulative deficit of expected Kshs. 5,527,500.

During the fourth quarter, the tenth cohort of 89 trainees were admitted in May - July 2024 term and the enrolment stood at 1412 at the end of the period 30th June 2024. The sixth set of finalists are expected to complete their exams by July 2024 and thus churned out to the job market. We did have all trainees in session in college and none was out on attachment. Academic Departments had prepared new targets and recommendations to ensure that KNEC results improve.

The institution procured 50 staff chairs to take care of the 51 staff number that was attained. In the fourth Quarter, the college did manage to continue with the BCE complex procurement process to completion.

The management of the college initiated the process of valuation of its assets (equipment, land and buildings) successfully.

In an effort to comply with the Presidential and Ministerial directives on requirement for greening and beautification, increase forest cover, curb soil erosion the college planted 2250 tree seedlings and entered into an MOU through the state department for TVET with KEFRI who donated seeds, polybags and offered technical support for establishment of a tree nursery as well as the by Kenya Forest Service. The college tended to the planted trees given that the place is infested with termites.

The management is continuously linking academia with industry by developing linkages with sister institutions and with several relevant industries or placement of students who were on industrial attachment and also finalists as we implement tracer studied on the latter. Further, the college offers Technical courses such as Building Technology that are competence based where our trainees are learn how to prepare affordable building of blocks and will churn out graduates that significantly contribute to the Sustainable Development Goals (SDGs), Vision 2030 and more specifically the affordable housing aspect of the "BETA" Agenda. In line with this, the management has prioritized Institutional Capacity Building, Collaborations and Partnerships, while linking academia with industry through placing students on attachment in the relevant attachment field for exposure to new models of affordable housing. The institution was roped into the Limited Support Dual training program by the State Department for TVET.

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Further, the college continues to share its drilled borehole water resource with the immediate community for domestic consumption as our Corporate Social Responsibility (CSR). This reliable water resource was erected courtesy NG-CDF Ugunja.

During this financial year 2023/2024, the 8th, 9th and tenth cohorts were enrolled and by the end of the year 102 trainees were admitted in May-June 2022 term and the enrolment stood at 1412 at the end of the period 30th June 2023.

**Assessment**

In the first Quarter, FY 2023/2024, the results of the 287 candidates who sat for the KNEC July 2023 series were released and analyzed the institution managed to achieve a 68.88 % percentage pass posting an improvement of 5.926 % from 62.96% March series.

In the Second Quarter, FY2023/2024 the fifth lot of 183 candidates who registered and sat the November 2023 KNEC series and 63 of these candidates were expected finalists whereas the rest would proceed for their attachment. The results of the 183 candidates who sat for the KNEC November series were released and analyzed. The institution managed to realize a 62.57 % percentage pass posting a decline of 6.31% from 68.88% July 2023 series. The institution had 12 candidates registered for March KNEC 2024 series.

In the Third Quarter, FY2023/2024 the College. The results of the 12 candidates who sat for the KNEC March series were released and analyzed. The institution managed to realize a 80 % percentage pass posting an improvement of 17.43% from 62.57% in November 2023 series. The college also registered its sixth (287) candidates for the KNEC July 2023 series. Academic Departments had prepared new targets and recommendations to ensure that KNEC results improve.

**Funding**

**Capitation rant**

- a) In FY 2023-2024 Q1 capitation grant which was received on 2/10/2023, worth Kshs 3,304,000 @ Kshs 3,500 for 944 trainees instead of Kshs.7, 500 created a deficit of Kshs 4,000 per student amounting to 3,776,000. .
- b) In FY 2023-2024 Q2 capitation grant which was received on 18/01/2024, worth Kshs 2,948,000 @ 4000 for 737 trainees instead of Kshs 7,500 created a deficit of Kshs3500 per student amounting to Kshs 2,579,500.
- c) In FY 2023-2024 the Quarter 3 capitation grant which was received on 5/02/2024, worth Kshs 2,579,500 @3,500 for 737 trainees instead of Kshs 7,500 created a deficit of Kshs 4,000 per student amounting to 2,9488,000
- d) In FY 2023-2024 the Quarter 4 capitation grant which was received on 31/05/2024, worth Kshs 3,126,000 @ 3,000 for 1042 trainees instead of Kshs 7,500 created a deficit of Kshs 4,500 per students amounting to Kshs 4,689,000. The following table summarizes the funding as received;

SR NO.	FINANCIER	AMOUNT	BENEFICIARIES
1	HELB -LOAN	16,127,028.79	885
2	HELB BURSARY	395,000	79
3	BURSARIES	1,331,000	192
4	CAPITATION GRANT	11,956,925	865
5	DEVELOPMENT GRANT	3,925,000	
6	DIRECT FEES PAYMENT	12,951,309.06	
7	PU	29,010	

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TOTAL		46,715,272	
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The total expected revenue was Kshs.115, 465,090. 00 thus the deficit was at Kshs 68, 749,363. 00 This low funding state was in form of:

- i. reduction in (poor) fees payment by parents and sponsors who had been promised capitation grant,
- ii. delayed and insufficient submission of Quarter 1 capitation grant
- iii. delayed and insufficient disbursement of Quarter 2 ,3and 4 FY 2023/24 Capitation grant by Government,
- iv. Delayed and insufficient disbursement of development grant FY 2023/24 Capitation grant by Government,
- v. Lack of disbursement of the last batch of the New Funding Model FY 2022/23 Sponsorship grant by Government,

As a result, the college could not meet its budgetary obligations forcing the Board to only finance the mandatory core activities. To address this, the college has come up with various production unit proposals and marketing strategies to ensure that college admits as many students as possible during the FY 2023- 2024 financial year which would boost its revenue base from the fees and so far institution enrolment grew at an exponential rate from 1195 to 1412. Marketing was on-going for the receiving the next intakes for the subsequent terms.

The following are some of the major challenges that the institution faced:

- a) The institutions' enrolment was increasing at an exponential rate that did not match the infrastructural growth.
- b) Lack of adequate funds (partial first, second, third and fourth quarter capitation grants and lack of last batch for the new funding model FY 2023/2024) to meet the budgetary obligations required to match the fast-growing student enrolment.
- c) The Mechanical Engineering machines could not efficiently serve their purpose of training and production because of the low power rating, an aspect of implementation that the that Ministry of Education should expedite for upgrading of the switch gear:
- d) We had to recruit additional trainers on BOG terms to cater for the trainer deficit that we were experiencing in three departments which increased our wage bill (expenses)

Sign: \_\_\_\_\_



Date: 15/05/2025 \_\_\_\_\_



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**7. Statement of Performance against Predetermined Objectives**

Section 81 Sub Section 2(f) of the Public Finance Management Act, 2012 requires the accounting Officer to include in the Financial Statement, a statement of the National Government's entity performance against predetermined objectives. Ugunja Technical and Vocational College developed its annual Work plan which was basis of assessment of the Boards performance against work plan revealed.

The college had strategic pillars and objectives developed within its reviewed strategic plan for the FY 2023/2024. In the period ended 30th June 2023, the management. These strategic pillars are as follows:

1. Pillar 1: Quality training for Sustainable Development
2. Pillar 2: Resource mobilization and financial Sustainability
3. Pillar 3: Research Innovation and Technology
4. Pillar 4: Cooperate governance, partnerships and linkages for effective service Delivery

The board achieved its objective of completing developing the annual work plan which would be the basis for the future annual appraisals. The prepared a work plan in FY 2023/2024 continued establishment of the institution in line with the Strategic plan. This plan was interrupted by the insufficient-submission of the capitation and sponsorship grant FY 2023/2024 against a growing student population. However, the following were accomplished;

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievement
Pillar 1: Quality Training for Sustainable Development	To offer accessible, equitable, quality and relevant technical training by increasing enrolment from 550-700 by the end of the fourth quarter	Increased Enrollment data	Strategic marketing	Increased enrollment from 1195-1412.
	To offer accessible, equitable, quality and relevant technical training by providing internship/industrial attachment/apprenticeship opportunities for youths the end of the	Increased trainee attachment /internship or apprentice ship	Provision of /industrial attachment/ /internship or apprenticeship opportunities	Eight (8) attachés and two (2) interns
	To develop and implement annual academic calendar/curriculum implementation by the end of the year	Develop and implement annual academic calendar/Curriculum improved performance in exams	Implementation of curriculum	Prepared and registered 287 trainees for KNEC exams. Set new targets for improved results.

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Pillar 2: Resource mobilization and financial Stability	To achieve financial sustainability for Ugunja TVC by recruiting qualified and competent staff on needs by and inducting them.	Increased staff retention and attraction	Staff recruitment and retention	<ul style="list-style-type: none"> <li>• Shortlisted five (5) trainers for consideration for recruitment by Public Service Commission.</li> <li>• Retained most of the staff.</li> <li>• Recruited 2 trainers on</li> </ul>
	To achieve financial sustainability for Ugunja TVC by developing and implementing a comprehensive annual budget and procurement plan.	Annual approved budget and Procurement Plan developed	Partial implementation of budget and procurement plan as planned for quarter four.	<ul style="list-style-type: none"> <li>• Annual approved budget &amp; procurement plan partly implemented due to late and insufficient funding.</li> <li>• Prepared and submitted FY 2023/2024 Annual approved budget &amp; procurement plan.</li> </ul>
	To Monitor and evaluate the implementation of annual budget and procurement plan by the end of the year	Quarterly implementation reports	Preparation and submission of Quarterly budget & procurement plan implementation reports	Prepared Quarter 2, 3 and 4 financial reports and statements & procurement reports shared with the Board and submitted to relevant agencies.
	To achieve financial sustainability for Ugunja TVC by Construction of Building and Civil Engineering Complex, Shed and ablution block for persons with disability by the end of the year	Allocate Resources	Submission of requests and allocation of funds	Followed up and received the allocation of funds worth of Kshs. 3,925,000 for the approved construction of the Building and Civil Engineering Complex by the National Treasury

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	To Initiate Income Generating Unit (IGUs) by the end of the year	Number of IGUs initiated	Development of proposals for IGUs.	<ul style="list-style-type: none"> <li>• Procured a heifer cow for PU</li> <li>• Set up the cow shed and feeds.</li> <li>• Food and Beverage PU ongoing</li> </ul>
	To conduct annual staff appraisal, negotiate and sign new performance targets by the end of the year	Appraisal reports	Appraisal	Annual staff appraisal Conducted for all staff, negotiated new performance targets for financial year 2024/2025 by the end July 2024.
Pillar 3: Research, Innovation and Technology	To continuously improve research and innovation capacities by allocating 2% of the total annual operational budget to research and development	Allocating and implementation of research amount in approved budget.	Preparation for and participation in TVET Fair competitions.	<ul style="list-style-type: none"> <li>• Preparation meetings held for TVET innovations.</li> <li>• Internal TVET fair preparations</li> <li>• Patented 4 Innovations</li> <li>• Presented top 6 innovations to KATTI Lake Region TVET Fair.</li> </ul>
Pillar 4: Corporate Governance, Partnerships and Linkages	To enhance corporate governance and quality management systems by undertaking annual Board appraisal	Evaluation Report	Annual Board evaluation conducted.	Annual Board evaluation and appraisal was conducted
	To enhance corporate governance and quality management systems by developing or reviewing and implementing appropriate policies, guidelines and procedure manuals by the end of the year	Policy and procedure manuals developed, reviewed and approved for use	Appointment of committees for preparation of the documents implementation reports	Board work plan and other Policy and procedure manuals developed

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To Develop Board Annual Work Plan and attend all scheduled meeting as per the almanac targets by the end of the year	Board Annual Work Plan Meeting Attendance list	Develop Board Annual Work Plan and attend all scheduled meeting	Work plan developed and almost all members attended the meetings
Sign & implement Performance Contracting targets with Government of Kenya.	Signed Performance Contract. Reports submitted to relevant Agencies.	Undertake a complete Performance Contracting annual cycle.	Successfully participated in implementation of cycle 21 <sup>st</sup> Performance Contract cycle. Awaiting cycle 20 annual evaluation.

**a) STATUS OF DEVELOPMENT PROJECTS**

- i) The implementation of the Management Information System which was procured and was at the implementation stage and it would facilitate ease of doing business.
- ii) The college did not manage to continue with all internally funded projects as planned due to insufficient disbursement of FY2023/2024 capitation and Government Scholarship. The annual approved development fund of Kshs 20,000,000 amount was slashed to 5,000,000 in first quarter due to austerity measures by the government and in the third Quarter the institution received Kshs 3,925,000 for the same project. The construction work for the proposed and Civil engineering workshop phase 1A was work-in- progress.
- iii) The NG-CDF honored the BOG's request for a college bus.

S/No.	Project Description	Nature of Contract	Contract Sum Budgeted	Status	Financier
1.	Construction of Building and Civil Engineering Complex	Full	20,000,000	30%	GOK
2.	51 Seater Disability Friendly Bus	Full	8,500,000	100%	NG-CDF
3.	ERP/MIS	Full	1,160,000	72%	BOG
4.	Bus Cage	Full	491,211	100%	BOG

**b) STATUS OF PERFORMANCE CONTRACT**

The first ever 18th cycle evaluation was completed on 30th September 2022 and the institution was rated at a composite score of 3.1602 which is equivalent to good. We are currently also on the FY @ 2022/2023 20th cycle of performance contracting submitting the quarterly reports to the relevant agencies in the prescribed format. The college was roped into the 20th Cycle Performance Contract (PC) has timely submitted its 1st, 2nd, 3rd and 4th quarter reports to the relevant agencies awaiting evaluation.

## **8. Corporate Governance Statement**

Corporate governance refers to mechanism, relations and processes by which a cooperation is controlled and directed. It involves balancing the interests of the stake holders of a cooperation. Good corporate governance practices are essential to the delivery of long term and sustainable stake holder value.

To strengthen accountability and to build confidence among stake holders. Ugunja Technical and Vocational college is committed to sound principal of corporate governance and sustainability and believes that good corporate governance is critical not only at the corporate level but at the national level.

### **Board size, composition and appointment**

The College Board of Governors is constituted of eight members who were recommended to the Cabinet Secretary for appointment by the nomination panel, the Principal and the County Director. They were duly appointed taking into account ethnic and gender balance, and inclusion of persons with disabilities, minorities and the marginalized, and ensure balanced competencies among the members. They are representative of chairperson, a representative of the Principal Secretary in the Ministry responsible for technical and vocational training; a representative of the county Governor of the county within which the institution is located; six other persons appointed on the basis of their knowledge and experience in leadership and management; financial management; technology; industry; engineering and information communication technology.

### **Process of Appointment and Removal**

In appointing and reappointing members of Boards of Governors, the commencement dates of some members shall be staggered by the cabinet secretary to maintain a proportion of new membership that ensures continuity in the affairs of the Boards of Governors.

The appointment of a member to a Board of Governors or to its committees shall be revoked and the member shall vacate office if the member — resigns; becomes insolvent or has conveyed or assigned his property or has made a proposition or arrangement for the benefit of his creditors; is sentenced by a court of law to imprisonment for a term of six months; is incapacitated by physical or mental illness; has been absent from three consecutive meetings of the Board of Governors without leave; where the member is a representative, has his appointment revoked by the nominating body; or is otherwise unable or unfit to discharge his functions as a member of the Board of Governors .

Where the office of a member of a Board of Governor becomes vacant by reason other than the expiry of the period of that office, the Cabinet Secretary, in accordance with the provisions of this TVET Act no. 29 of 2013 appoint another person to replace the member.

A member of a Board of Governors may at any time resign by giving notice in writing to the cabinet Secretary and shall cease to be a member of the Board from the date specified in the notice or, if no date is specified, from the date of the receipt by the Cabinet Secretary or the Secretary to the Board

### **Roles and Responsibilities of the BoG**

- a) Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource mobilization practices including recruitment, reward, retention,

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- motivation and development of the Institution's staff;
- b) Oversee the Institution's compliance with legal, statutory and regulatory requirements relating to finance, infrastructure and resource mobilization matters as well as compliance with ethical and quality standards adopted by the Institution.
  - c) Receive and consider proposals and reports on matters relating to finance, development projects and resource mobilization in the Institution and its campuses.
  - d) Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of the Institution.
  - e) To oversee the development and administration of policies, procedures and strategies that will promote high quality education, research and training across the Institution;
  - f) To guide the Institution to meet its strategic aims and objectives in relation to education, research and training activities;
  - g) To develop high quality education courses and other activities to promote good practice within the relevant fields
  - h) Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
  - i) Oversee the implementation of developed policies, procedures and strategies that will promote effective and efficient management systems within the Ugunja Technical and Vocational College
  - j) Provide an independent review of the Institutions' reporting functions to ensure the integrity of the financial reports.
  - k) Ensure the Institution effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behavior.
  - l) Provide oversight of the implementation of accepted audit recommendations and consider reports on matters relating to audit.
  - m) Provide strong and effective oversight of the institution's internal audit function

**Board Remuneration**

This was guided by the financial ability of the institution and as approved by SRC Salaries and remuneration committee approved as shown below:

Transport: from Kshs 3000 to Kshs 5,000 for all members,  
Sitting allowance (Net of Tax Kshs : 12,000 for Chairman; and  
Kshs 10,000 for all other members

Other allowances as guided by SRC rates: Night outs 10,000 capped at 2 night out and airtime 2,000 for those attending virtually.

**Succession Plan and Term of office:**

Unless the appointment of the chairperson or a member of a Board of Governors is earlier terminated under this Act, a person appointed as chairperson or as a member shall hold office for a term of three years from the date of appointment and shall be eligible for re-appointment for one further term of a period not exceeding three years.

**Board Performance in meetings**

The tenure of the first ever board expired in January 2023 and the board was appraised and performance was exemplary.

A new board was appointed in January 2023, inaugurated on 20th February 2023 and was inducted in April 2023. A special board meeting was held on 23rd June to approve the list of the 24 shortlisted candidates for PSC trainer recruitment exercise for consideration for recruitment by Public Service Commission where all members attended except for Gov. Ocharo. A special board

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

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meeting was held on 13th July to approve the list of the interviewed candidates for PSC trainer recruitment exercise for consideration for recruitment by Public Service Commission where all members attended.

During the first quarter FY 2023-24 the Administration Finance and Infrastructure committee meeting was held on 14/7/23 to deliberate on the fourth quarter FY 2022-23 reports and all the members attended. The first quarter FY 2023-24 the Audit and Risk Management Committee meeting was held on 17<sup>th</sup> July 2023 to discuss the FY 2022-2023 fourth quarter FY 2022-23 Audit Report and all members attended except Mr. Joseph Sunguti.

The first quarter FY 2023-24 Education, Research and Training meeting was held on 6th July 2023 to discuss the FY 2022-2023 fourth quarter report on matters Education, Research and Training and all members attended.

The full Board met on July 18th 2023 to receive, discuss and adopt recommendations from the 4th quarter FY 2022/2023 reports of three Board committees and all members attended.

**In the second Quarter**

During the Second quarter FY 2023-24 the Administration, Finance and Infrastructure committee meeting was held on 9/10/23 to deliberate on the first quarter FY 2023-24 financial Statement and reports and all the members attended.

The Second quarter FY 2023-24 the Audit and Risk Management Committee meeting was held on 11/10/2023 to discuss the FY 2023/2024 first quarter FY 2023-24 Audit Report and all members attended.

The Second quarter FY 2023-24 Education, Research and Training meeting was held on 03/10/2023 to discuss the FY 2023/2024 fourth quarter report on matters Education, Research and Training and all members except Mr Sunguti attended.

The full Board met on October 13/10/2023 to receive, discuss and approve the recommendations from the 1st quarter FY 2023/2024 reports of three Board committees and all members attended.

**In the third Quarter**

During the third quarter FY 2023-24 the Administration, Finance and Infrastructure committee meeting was held on 9/01/24 to deliberate on the second quarter FY 2023-24 financial Statement and reports and all the members attended except the county director.

The third quarter FY 2023-24 the Audit and Risk Management Committee meeting was held on 09/01/2024 to discuss the FY 2023/2024 second quarter FY 2022-23 Audit Report and all members attended

The third quarter F Y 2023-24 Education, Research and Training meeting was held on 03/01/2023 to discuss the FY 2023/2024 second quarter report on matters Education, Research and Training and all members attended.

The full Board met on January 12/1/2023 to receive, discuss and approve the recommendations from the second quarter FY 2023/2024 reports of three Board committees and all members attended.

**In the fourth Quarter**

During the fourth quarter FY 2023-24 the Administration, Finance and Infrastructure committee meeting was held on 10/04/24 to deliberate on the third quarter FY 2023-24 financial Statement and reports and all the members attended together with the regional director.

The fourth quarter FY 2023-24 the Audit and Risk Management Committee meeting was held on 10/04/2024 to discuss the FY 2023/2024 third quarter FY 2023-24 Audit Report and all members attended.

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The fourth quarter FY 2023-24 Education, Research and Training meeting was held on 02/04/2023 to discuss the FY 2023/2024 third quarter report on matters Education, Research and Training and all members attended.

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**Board Performance Appraisal**

Board met on April 12/4/2023 to receive, discuss and approve the recommendations for the third quarter FY 2023/2024 reports of three Board committees and all members attended.

**BOARD ATTENDANCE APPRAISAL**

<b>S/No.</b>	<b>Name</b>	<b>Board Position</b>	<b>Board Attendance %</b>
1.	Eng .Peter Oloo Okaka	Chairman	100%
2.	Mrs. Audrey Odhiambo	Secretary	100%
3.	Mrs. Alice Keboga	Member	92%
4.	Eng Jane Pauline Maeri Mito	Member	100%
5.	Dr. Rozilla Adhiambo	Member	100%
6.	Mr. Lucas Ocharo	Member	100%
7.	Dr. Neddy Soi	Member	100%
8.	Ms. Vivianne Komwonyo	Member	100%
9.	Mr. Karilus Ben Umija	Member	100%
10.	Mr. Joseph Sunguti	Regional TVET Director	88%
11.	Mr. John Wamae	Regional TVET Director	88%

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**9. Management Discussion and Analysis**

The college continued its operations by admitting, training and assessing all the trainees in the in FY 2023/2024.

During the year, the college managed to the register candidates for the KNEC July 2023 Series and March 2024 Series and administer the examinations successfully.

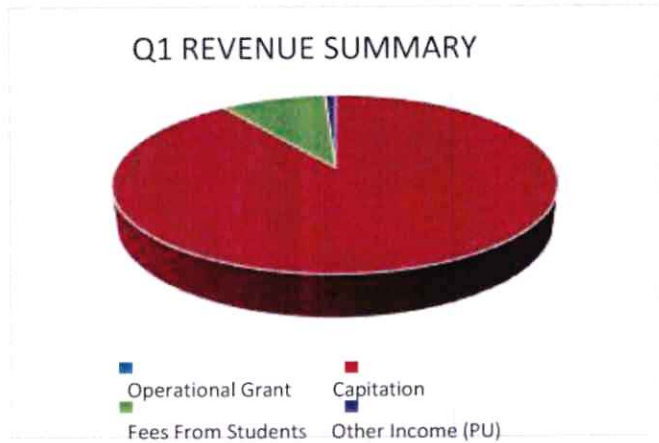
The institution received quarter one, two, three and four capitation grant for FY2023/2024, and also received HELB funding worth KSHS 16,127,028.79 for 885 trainees and the HELB bursary worth Kshs 395,000 for 79 students.

The budget projection for the Fiscal year 2023-2024 was Kshs. 147,749,987

We budgeted for development grant worth KSHS.55, 000,000 but received KSHS 3,925,000 in addition to Kshs 5,000,000 which had been sent to us on 8th June 2023.

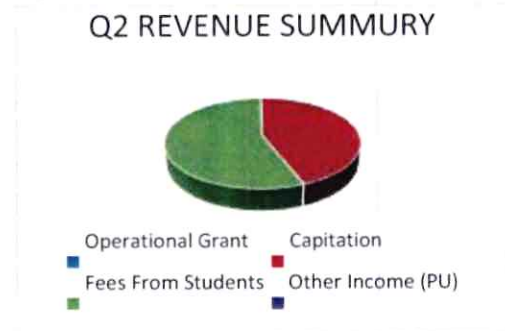
During the first quarter no capitation was received however the revenue summary was as illustrated below. However, we received Q1 capitation worth Kshs 3,304,000@ Kshs 3,500 on 2nd October 2023 for 944 trainees instead of KSHS. 7,080,000 @7500 giving us a deficit of KSHS 3,776,000

No.	Revenue Source	Amount
1	Operational Grant	0
2	Capitation	3,304,000
3	Fees From Students	2,177,291
4	Other Income (PU)	1810
	<b>Total</b>	<b>5,483,101</b>



Q2 was also received capitation worth Kshs 2,759,500 @ 3,500 for 737 trainees on 18/01/2024 instead of Kshs 7,500 giving us a deficit of Ksh4000 per student amounting to Kshs 2,948,000. The revenue summary was as illustrated below

No.	Revenue Source	Amount
1	Operational Grant	0
2	Capitation	2,579,000
3	Fees From Students	8,601,688
4	Other Income (PU)	17,200
	<b>TOTAL</b>	<b>11,197,888</b>



**Ugunja Technical and Vocational College**  
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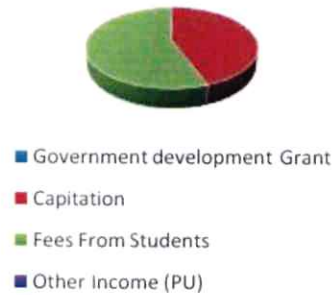
The Quarter 3 validated, approved enrolment data of our students was submitted to the Ministry of Education and it was to be the basis for disbursement of capitation. However, Q3 capitation was disbursed worth Kshs 2,948,000 @ 4000 for 737 trainees on 05/02/2024 instead of Kshs 5,527,500 @ 7,500 for 737 trainees giving us a deficit of Kshs 3500 per student amounting to Kshs 2,579,500.0

S/No	Revenue Source	Amount
1.	Government Development Grant	3,925,000
2.	Capitation	2,948,000
3.	Fees From Students	6,199,499
4.	Other Income (PU)	4,800
	<b>TOTAL</b>	<b>13,077,299</b>

The fourth quarter capitation received was worth Kshs 3,126,000 was received on 31/05/2024 @ 3000 each for 1042 trainees instead of Kshs 7500 thereby creating a deficit of Kshs. 7,815,000.

No.	REVENUE SOURCE	AMOUNT
1	Government development Grant	0
2	Capitation	3,126,000
3	Fees From Students	12,825,784
4	Other Income (PU)	5,200
	<b>TOTAL</b>	<b>15,956,984</b>

Q4 REVENUE SUMMARY

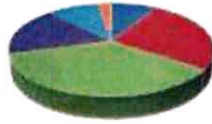


**ANNUAL REVENUE SUMMARY FOR FY 2023/2024**

SR NO.	FINANCIER	AMOUNT	BENEFICIARIES
1	HELB -LOAN	16,127,028.79	885
2	HELB BURSARY	395,000	79
3	BURSARIES	1,331,000	192
4	CAPITATION GRANT	11,956,925	865
5	DEVELOPMENT GRANT	3,925,000	
6	DIRECT FEES PAYMENT	12,951,309.06	
7	PU	29,010	
	<b>TOTAL</b>	<b>46,715,272</b>	

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Chart Title



- DEVELOPMENT Grant
- Capitation
- Helb
- Loan & Bursary
- Fees from Students
- Government scholarship
- Bursaries
- Other Income (PU)

In summary, the institution received first, second, third and fourth quarter FY2023/2024 capitation grant worth KSH 11,956,925 HELB funding worth KSH 16,127,028.79 and HELB Bursaries worth KSH 395,000. Other bursaries received were worth k.sh .1,331,000 . During the FY 2023-20224 the college enrolment was one thousand FOUR hundred and twelve (1412). Out which 944 trainees received quarter one and 737 trainees receive quarter two and three capitation grant.1042 trainees received Quarter four capitation. The total capitation deficit for the year was ksh.13,956,500.

Given the socio - economic status of the community around the college, there was poor fees payment trend by the students forcing them to rely majorly on the HELB and CDF bursary to help bridge the fees of Kshs. 26,420 and the exam fees.

The recurrent budget projection for the Fiscal year 2023-2024 was Kshs 95,565,090 while the actual collection was Kshs. 46,715,272

This was caused by:

- Reduction in Development grant from Kshs 55,000,000 to 8,925,000
- Low disbursement of the capitation grant and scholarship grant in all the quarters

The student's fees arrears increased from Kshs. 16,642,246 in FY 2022/ 2023 to Kshs. 44,871,006 This accumulation was due to the fact that there was inconsistency, insufficiency and unpredictable disbursement of capitation grant and Government Scholarship.

Some students admitted in May 2024 had not received both first quarter capitation and the Government Scholarship by the end if the financial year. The insufficient first, second, third and fourth Quarter capitation had not been charged in the students account.

Further HELB loan and HELB bursary amounting to KSH. 16,127,028.79 and Kshs 395,000 respectively had been credited in the beneficiaries account.

The major risks facing the institution is lack of sufficient amount of funds to meet budgetary obligations. Thus we focused on both training, TVET fair and co-curricular activities in execution of the budget.

On infrastructure, the college managed to complete the walk ways and the two number classes. The drive way and implementation of power uprating system which was partially taken up by the Ministry of Education in July 2021 were still ongoing.

In compliance with the statutory requirements, the college submitted all the monthly statutory payments i.e. Kenya Revenue Authority (KRA), National Social Security Fund (NSSF), National Hospital Insurance Fund (NHIF) including annual Regulatory Public Health inspections as prescribed.

## **Ugunja Technical and Vocational College**

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

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The college also had a challenge of insufficient number of trainers, in electrical and electronics department, Building and civil engineering, food and beverage, hair dressing and beauty therapy, social works and supply chain management departments, but that is currently being addressed by the Ministry of Education and Public Service Commission. We received one intern in this quarter who was assigned training duty in the liberal department. One trainer in building and Civil Engineering is currently pursuing pedagogical training at Kenya Technical Trainers College. If the inadequacy of trainers is addressed fully, we shall reduce the cost of hiring BOG trainers. This money would be ploughed into other areas that need improvement like college library which is yet to be operationalized.

As a way of ensuring quality service delivery and performance management, the Board prepared an annual work plan to ensure that what gets measured gets done. With this, the college was roped into the 20th Cycle Performance Contract (PC), timely submitted its 1st, 2nd, 3rd and 4th quarterly reports to the relevant agencies, and is to be evaluated in October 2024. The previous Cycle 19 was evaluated and rated at a composite score of 3.014 which is equivalent to Good performance.

The major risks facing the institution is lack of sufficient amount of funds to meet budgetary obligations.

We were roped into the Performance contract 19th cycle, whose evaluation was completed in September, 2023 and the institution was rated at a composite score of 3.1602 which is was rated as good. We are currently awaiting evaluation of the FY @ 2023/2024 20th cycle of performance contracting and have submitted the quarterly reports to the relevant agencies in the prescribed format. Currently we have been roped into the negotiated the PC 21st cycle awaiting signing by the Cabinet Secretary.

We had also put in place an elaborate procurement plan for the financial year 2023-2024. This will regularize our expenditure and improve on the institution's financial stewardship. The budgetary estimates for the FY 2023/2024 and procurement plan were prepared approved and submitted for implementation.

## Ugunja Technical and Vocational College

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#### 10. Environmental and Sustainability Reporting Statement

Ugunja Technical and vocational college exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organization's strategic objectives.

##### i. Sustainability strategy and profile

The Management ensured that on a quarterly basis, enrolment increased and returns on trainee population is submitted to the Ministry of Education, state Department of TVET to assure of accountability, transparency and progressive funding as indicated below:

SR/No.	Quarter FY2023/2024	Enrolment
1.	1	1308
2.	2	1308
3.	3	1456
4.	4	1412

Further, management enhanced sensitization on government Sponsorship, HELB and Bursary funding for the trainees as sustainable funding models. The Board of Governors proposed to the Honorable Member of Parliament for Ugunja Constituency on the need for support in transport area with a positive response of having received a 51 disability-friendly seater Bus that enhanced marketing and address the transport need at the institution. The board approved the Proposals for the Production Units as a way of prioritizing on sustainable revenue source for the academic departments.

##### ii. Environmental performance

The management ensured that a greening and beautification department by the duly appointing greening committee with very clear terms of Reference to ensure that inter- alia, the institution has a well-developed Environmental department. Landscaping, planting of Flowers, grass establishment of a tree seedling, partnership with other organizations on greening and beautification was planned and actualized. The overall outcome was increase in forest cover by planting 2250, reduction in erosion and improved aesthetic outlook of the institution. Further the management signed an MoU with KEFRI to help establish a tree nursery. All the anthills were demolished to ensure that trees were not destroyed by the termites. The college has a draft Waste management policy which gives direction on waste management.

##### iii. Employee welfare

The institution has a Human Resource Management department which had a duly appointed committee to ensure that operated as guided by the provisions of the relevant legal framework as it addresses all human resource matters. The institution has adopted Human Resource Policy and Procedure Manual and the current staff ratio per departments was as follows:-

S/No	Department	Total	Male	Female
	<b>BOG Staff</b>			
1.	Building and Civil	8	5	3
2.	Hospitality	3	0	3
3.	Business	2	1	1
4.	Hair dressing	1	0	1
5.	Liberal	1	0	1

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S/No	Department	Total	Male	Female
6.	ICT	2	2	1
7.	Electrical	4	4	0
8.	Technician	1	1	0
9.	Human Resource	1	1	0
10.	Finance	2	1	1
11.	Procurement	2	1	1
12.	Admin assistant	2	0	2
13.	Ground and cleaning and Farm	3	1	2
14.	Transport	1	1	0
	<b>Total</b>	<b>33</b>	<b>18</b>	<b>16</b>
	<b>PSC Staff</b>			
1.	Administrators	2	1	1
2.	Building and Civil Engineering	2	2	0
3.	Institutional Management	1	0	1
4.	Supply chain	0	0	0
5.	Hair dressing	1	0	1
6.	Liberal	0	0	0
7.	ICT	3	3	0
8.	Electrical and Electronic Engineering	3	3	0
9.	Mechanical And Automotive Engineering	6	5	1
	<b>Total</b>	<b>18</b>	<b>14</b>	<b>4</b>

The institution engaged stakeholders in the following areas

- Review of the Institutional Strategic Plan
- Review of Students Council Constitution
- Formulation of work study programme

The management has also drafted three years Training Needs Assessment for his staff after skills gap analysis in FY 2021/2022.

**iv. Market place practices**

The following is Ugunja TVC efforts in market place practices:

**a) Responsible Competition Practices**

Ugunja TVC plays a critical role in developing skilled labor and promoting industry standards. To ensure responsible competition practices, the organization implements the following:

- i. **Anti-Corruption Measures:** The Ugunja TVC maintains strict anti-corruption policies. All staff members undergo regular sensitization on expected ethical behavior, and the organization has a clear reporting system for any unethical practices. The organization adheres to National and international anti-corruption laws, ensuring a transparent and corruption-free environment.
- ii. **Responsible Political Involvement:** The organization avoids any undue influence on it due to political processes. Any engagement in political activities is conducted with transparency and in compliance with legal framework in place. Contributions to political causes, if any, are disclosed and are made without expecting any favours' in return.
- iii. **Responsible marketing and advertisement-outline efforts to maintain Fair Competition:** The Ugunja TVC ensures that it competes fairly with other institutions by focusing on the quality and relevance of its training programs. It avoids any practices that could unfairly

## Ugunja Technical and Vocational College

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

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disadvantage competitors, such as misrepresentation of programs or manipulation of enrolment data.

- iv. **Respect for Competitors:** The Ugunja TVC maintains a respectful attitude towards other training providers. It refrains from negative advertising or spreading misinformation about competitors. Instead, it focuses on continuous improvement and innovation in its offerings to attract students.

#### b) Responsible Supply Chain and Supplier Relations

The Ugunja TVC recognizes the importance of maintaining responsible and ethical relationships with its suppliers:

- i. **Good Business Practices:** The organization follows ethical procurement processes, ensuring that all dealings with suppliers are conducted fairly and transparently. It selects suppliers based on merit, considering factors such as quality, reliability, and sustainability.
- ii. **Honoring Contracts:** The organization is committed to honoring all contractual agreements with its suppliers. This includes ensuring that all terms and conditions are met, and that any changes or challenges are communicated openly and managed collaboratively.
- iii. **Respecting Payment Practices:** The Ugunja TVC pays its suppliers promptly and according to agreed-upon terms. It avoids delaying payments unnecessarily, recognizing that timely payments are crucial for maintaining healthy supplier relationships and ensuring the smooth operation of supply chains.

#### c) Responsible Marketing and Advertisement

As an educational institution, the Ugunja TVC is committed to maintaining high ethical standards in all its marketing and advertising efforts.

#### d) Product Stewardship

Ugunja TVC have a responsibility to ensure that their educational services meet the highest standards of quality and ethics:

- i. **Consumer Safety:** The organization ensures that all its training programs are designed to equip students with the skills needed to succeed in their chosen fields. It regularly reviews and updates its curriculum to align with industry standards and best practices.
- ii. **Transparency and Information:** The organization provides clear and accessible information about all aspects of its programs, including the curriculum, assessment methods, and certification processes. It ensures that students are aware of their rights and responsibilities.
- iii. **Sustainability:** The Ugunja TVC is committed to incorporating sustainable practices into its operations and curriculum. This includes promoting environmentally friendly practices in training programs and ensuring that the organization's activities have minimal environmental impact.
- iv. **Consumer Rights:** The organization upholds the rights of its students by providing a safe and supportive learning environment. It has mechanisms in place for students to raise concerns or complaints, and it takes these seriously to continuously improve its services.

UJTVC promotes education through multiple strategies that can address various barriers and enhance learning opportunities. Here are some key approaches:

#### A. Increasing Access to Education

- **Infrastructure Development:** the institution has been built, in rural and underserved area, and has improved transportation to make Technical and Vocational Education accessible to

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all.

- **Affordable Education:** the institution has reduced or eliminated school fees and provided scholarships or financial aid to trainees from low-income families by signing MOUs with institutions like ACE Africa and SHOFCO.

**B. Improving Quality of Education**

- **Teacher Training:** The institution has allowed ongoing professional development for trainers to ensure they have the skills and knowledge to deliver high-quality education.
- **Curriculum Development:** Update curricula to make it relevant to current societal needs, including critical thinking, digital literacy, and life skills. This has been done through the implementation of the CBET programs.
- **Learning Materials:** The institution has been providing adequate practical materials/equipment, textbooks, digital resources, and other learning materials that cater to diverse learning needs.

**C. Engaging the Community**

- **Parental Involvement:** the institution has encouraged parents to be actively involved in their children's education through regular communication with the institution and participation in the institution activities.
- **Community Programs:** Establish community-based educational programs that can support learning such as young mothers through ASE.
- **Awareness Campaigns:** The institution has been raising awareness about the importance of Technical and Vocational education through media, social campaigns, and community outreach.

**D. Promoting Inclusive Education**

- **Special Needs Education:** the institution has been providing specialized support and resources for trainees with disabilities to ensure they have equal access to education.
- **Gender Equality:** the institution address gender disparities by encouraging the enrollment of girls and ensuring a safe learning environment for all genders.
- **Cultural Sensitivity:** the institution respects and incorporate local cultures and languages in the educational system to make learning more relatable and effective.

**E. Leveraging Technology**

- **ICT in the institution:** the institution has integrated information and communication technology (ICT) into the school curriculum to enhance learning and prepare trainees for a digital world.

**F. Government and Policy Support**

- **Academic Policy:** the institution has developed and implemented strong academic policy that prioritize academics and quality learning for all.
- **Partnerships:** the institution has encouraged collaboration between governments, NGOs, and the private sector to pool resources and expertise in promoting education.
- **Monitoring and Evaluation:** the institution regularly assess and monitor academic programs to ensure they meet objectives and make necessary adjustments.

**G. Economic and Social Support.**

- **Youth Employment Programs:** the institution offers vocational training and job placement services to bridge the gap between education and employment.

**Ugunja Technical and Vocational College**  
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**H. Addressing Barriers**

- **Safety and Security:** the institution ensures that there is a safe environment, free from violence, bullying, and discrimination.
- **Health Services:** the institution Provides health services and counseling in the institution to address issues that can hinder learning, such as mental health and substance abuse.

**v. Corporate Social Responsibility / Community Engagements**

It's worth noting that during the financial year 2023-2024 ended 30th June 2024, the college carried out a number of outreach programs to the community around the college as follows: Beyond its core educational mission, the Ugunja TVC contributes to community and social development in the following ways:

- a) **Education:** The organization is committed to expanding access to education by offering scholarships, financial aid, and outreach programs to underserved communities.
- b) **Sports:** The Ugunja TVC promotes physical education and sports as part of its holistic approach to student development, supporting the physical well-being of its students.
- c) **Healthcare:** The organization supports healthcare initiatives by providing health education, wellness programs, and access to basic healthcare services for students and staff.
- d) **Labour Relations and Staff Training:** The Ugunja TVC invests in its staff through ongoing professional development, fair labor practices, and a positive work environment.
- e) **Water and Sanitation:** Due to water shortage in the area, the college allowed the surrounding households to draw water from its drilled borehole during specified times of the day (from 10:00-5:00pm daily). The water source was drilled courtesy of the Ugunja Constituency Development Fund which also sponsored the construction of the fence and donation of the 51 seater disability friendly bus. The college thus enjoys a mutual relationship with the community through such initiatives. The organization contributes to water and sanitation initiatives within its facilities and in the broader community, ensuring access to clean water and promoting hygiene practices.
- f) **Environmental conservation:** The College did away with the anthills within and in the surrounding areas in order to tend to the planted trees given that the area is termite infested restore forest cover and the indigenous trees brought down by termites.

These practices demonstrate the Ugunja TVC commitment to ethical operations, community engagement, and the overall well-being of its stakeholders.

**Ugunja Technical and Vocational College**  
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**11. Report of the Board of Governors**

The BOG has presented their draft FY 2023/2024 financial report and had received the audit report FY/2021/2022.

**Principal Activities**

The Principal activity of the college is training and research in Technical and Vocational Education.

**Results**

The results of the entity for the year ended June 30th are set out on page XLI

**Examination results**

During the first quarter FY2023/2024, the College continued its operations by admitting, training and assessing all the trainees. The 287 KNEC JULY SERIES Candidates sat for their exams and the college managed to register 183 candidates for the KNEC November 2023 Series.

The results of the KNEC July 2023 Series realized an improvement of 6.12% pass improvement from 62.12 in November to 68.88% pass in KNEC July 2023 Series.

In Quarter 2 FY2023/2024, the college continued its operations by training and assessing all the trainees. Further, the college received exam result for 287 Candidates who sat for the KNEC JULY 2023 SERIES and 183 candidates sat for the KNEC November 2023 Series. The November 2023 examinations series were well administered the results of the 183 candidates who sat for the KNEC November series were released and analyzed.

In quarter 3, the institution managed to realize a 61.90 % percentage pass posting a decline of 6.98% from 68.88% July 2023 series. This was due to the fact that some (20 of 67 who were referred and failed) were late registrations (instead of July series) and may have lost touch with their books. The college managed to register 14 candidates for the KNEC March 2023 Series.

In quarter 4, the results of the KNEC march 2024 Series realized and improvement of 18.1% from 61.90% in November 2023 Series to 80.0% in KNEC March 2024 Series. As a way of improving performance, the heads of departments have set new targets and recommendations.

**Board of Governors**

The members of the Board who served during the FY 2023-2024 are shown on page (v-ix) and all were duly appointed by the Cabinet Secretary

**Auditors**

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

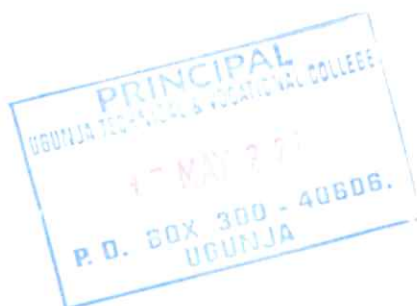
By Order of the Board



**Secretary of the Board**

**Nairobi**

**Date:15/05/2025**



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

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

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect to Ugunja Technical and Vocational College, to give a true and fair view of the state of affairs of the College at the end of the financial period and the operating results of the College for that period.

Therefore, the Board members are responsible for the preparation and presentation of the college's 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 period ended 30th June, 2024.

These responsibilities include:

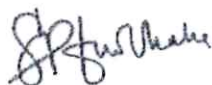
- Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period
- Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity
- Designing, implementing and maintaining 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
- Safeguarding the assets of the college Selecting and applying appropriate accounting policies; and 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 judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013. The Board members are of the opinion that the college's financial statements give a true and fair view of the state of college's transactions during the period ended 30th June, 2024, and of the college's 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 26 /09/2024 and signed on its behalf by:



**Eng. Peter Oloo Okaka**  
**Chairperson of the Board**



**Audrey Monica Atieno Odhiambo**  
**Principal**



# REPUBLIC OF KENYA



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

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

## **REPORT OF THE AUDITOR-GENERAL ON UGUNJA 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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 Ugunja Technical and Vocational College set out on pages 1 to 29 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 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 Ugunja 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), the Technical and Vocational Education Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Use of Goods and Services**

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects Kshs.25,264,608 relating to use of goods and services. However, supporting ledgers provided for audit total up to Kshs. 26,202,701 resulting to a variance of Kshs.938,093 that has not been reconciled or explained.

In the circumstances, the accuracy and completeness of Kshs.25,264,608 relating to Use of Goods and Services could not be confirmed.

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

The statement of financial position and as disclosed in Note 16 to the financial statements reflects an amount of Kshs.44,871,006 relating to receivables from exchange transactions. However, the supporting ledgers were not provided for audit review. Additionally, the management did not provide an explanation as to what the receivables entailed.

In the circumstances, the accuracy and completeness of Kshs.44,871,006 relating to Receivables from exchange transactions could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis totaling Kshs.115,465,090 and Kshs. 46,715,273 respectively resulting to a shortfall of revenue totaling Kshs. 68,749,817 or 59.54% of the budget. Similarly, the College spent Kshs. 41,869,641 against an approved budget of Kshs.115,465,090 resulting to an under-expenditure of Kshs.73,595,449 or 63.74% of the budget.

The budget figure on government development grants decreased from Kshs.60,000,000 to Kshs.20,000,000 with no explanation.

The under-funding and under-expenditure affected implementation of the planned activities and programs and may have impacted negatively on service delivery to the stakeholders.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Information**

Management is responsible for the Other Information set out on page iv to xliii which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Chief 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 the 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(s) 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. Delay in Disbursement of Funds under Government Scholarship Program**

Review of the ledgers from Government scholarship revealed that the entity received Kshs.745,797.90 being scholarship for 18 trainees for the five bands classification. This represents 1.2% of the total population of 1412 as at the close of quarter 4. Delay in classification and disbursement of the scholarship funds for 1,394 trainees may negatively affect the operations of the school and load the financial burden to the guardians.

### **2. Regularity of Human Resource Management Practices**

#### **2.1 Non-Compliance with Law on Ethnic Composition**

Review of the payroll records revealed that the college had a total of thirty-four (34) staff members. However, examination of staff personal records indicates that twenty-three (23) of the staff or 68% belong to one ethnic community contrary to section 7(2) of the National Cohesion and Integration Act 2008.

#### **2.2 Understaffing**

Review of records maintained by the college revealed that although there was an approved staff establishment, the college had a total of fifty-three (53) staff comprising of 18 trainers posted by the Public Service Commission, 23 employed by the Board of Governors and 12 non-teaching staff. However, scrutiny of the staff establishment revealed staff projections for 54 training staff and 24 non-teaching resulting to understaffing in the institution.

### **3. Weaknesses Observed under Property, Plant and Equipment**

#### **3.1 Uninsured Property, Plant and Equipment**

The statement of financial position, and as disclosed in Note 18 to the financial statements, reflects property, plant and equipment balance of Kshs.101,608,376. However, there was no evidence to show that the assets have been insured; contrary to Section 160(1) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer of a procuring entity shall manage its inventory, assets, and stores for the purpose of preventing wastage and loss and continuing utilization of supplies.

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

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

## REPORT ON 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis of Conclusion**

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 the Board of Governors**

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Board of Governors is responsible for overseeing the 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 Gatungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**16 May, 2025**

**Ugunja 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<sup>th</sup> June 2024**

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from the National Government – Capitation grants	6	15,881,925	12,929,000
<b>Total Capitation</b>		<b>15,881,925</b>	<b>12,929,000</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services – fee from trainees	7	63,847,761	38,047,283
Sale of goods	8	29,010	110,025
<b>Revenue from Exchange transactions</b>		<b>63,876,771</b>	<b>38,157,308</b>
<b>Total Revenue</b>		<b>79,758,696</b>	<b>50,976,283</b>
<b>Expenses</b>			
Use of goods and services	9	25,264,608	16,686,875
Employee costs	10	7,216,480	6,167,801
Board/Council Expenses	11	2,259,466	1,197,000
Depreciation and amortization expense	12	4,310,700	4,157,634
Repair and Maintenance	13	1,610,777	850,944
Contracted Services	14	1,207,610	648,000
<b>Total Expenses</b>		<b>41,869,641</b>	<b>29,708,254</b>
<b>Net Surplus for the Year</b>		<b>37,889,055</b>	<b>21,268,029</b>

The Financial Statements set out on pages 6 to 16 were signed by:



**Peter Oloo Okaka**  
**Chairman of Board**

**Date: 15/05/2025**



**CPA LANGAT KENNETH**  
**Accountant**  
**ICPAK No: 123470**

**Date: 15/05/2025**



**Audrey M.A. Odhiambo**  
**Principal**

**Date: 15/05/2025**

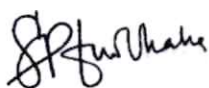


**Ugunja Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**15. Statement of Financial Position as at 30th June 2024**

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	15	15,473,060	8,001,825
Receivables from Exchange Transactions	16	44,871,006	16,642,246
Inventories	17	1,385,176	1,764,422
<b>Total Current Assets</b>		<b>61,729,242</b>	<b>26,408,493</b>
<b>Non-Current Assets</b>			
Property, Plant, and Equipment	18	101,608,376	65,330,449
Intangible Asset	19	611,200	464,000
<b>Total Non-Current Assets</b>		<b>102,219,576</b>	<b>65,794,449</b>
<b>Total Assets</b>		<b>163,948,818</b>	<b>92,202,942</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	20	951,670	974,445
Fees paid in advance	21	1,534,500	1,850,400
<b>Total Current Liabilities</b>		<b>2,486,170</b>	<b>2,824,845</b>
<b>Net Assets</b>		<b>161,462,648</b>	<b>89,378,097</b>
Revaluation Reserves			
Accumulated Surplus		62,528,140	21,378,029
Capital Fund		98,934,508	68,000,043
<b>Total Net Assets and Liabilities</b>		<b>161,462,648</b>	<b>89,378,097</b>

The Financial Statement set out on page 1 to 5 was signed on behalf of the College Board of Governors by:



**Peter Oloo Okaka**  
**Chairman of Board**

**Date:15/05/2025**



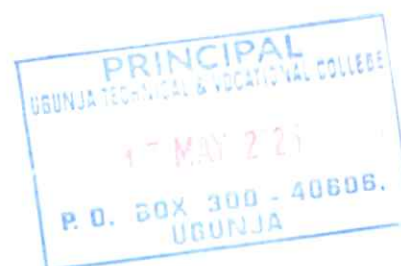
**CPA LANGAT KENNETH**  
**Accountant**  
**ICPAK No:12370**

**Date:15/05/2025**



**Audrey M.A. Odhiambo**  
**Principal**

**Date:15/05/2025**



**Ugunja 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 30th June 2024**

<b>Description</b>	<b>Revaluation reserve</b>	<b>Accumulated Fund</b>	<b>Capital Grants/Fund</b>	<b>Total</b>
<b>At July 1, 2021</b>	<b>68,000,043</b>			<b>68,000,043</b>
Total comprehensive income				
<b>At June 30, 2022</b>	<b>68,000,043</b>	<b>8,261,031</b>		<b>68,000,043</b>
<b>At July 1, 2022</b>	<b>68,000,043</b>	<b>8,261,031</b>		<b>76,261,074</b>
Total Comprehensive income		16,378,054		<b>16,378,054</b>
<b>At June 30, 2023</b>	<b>68,000,043</b>	<b>24,639,085</b>		<b>92,639,128</b>
Revaluation gain	30,934,465			30,934,465
Total comprehensive Income		37,889,055		37,889,055
<b>At June 30, 2024</b>	<b>98,934,508</b>	<b>62,528,140</b>		<b>161,462,648</b>

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

**17. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2024**

Descriptions	Notes	2023/2024	2022/2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other government entities/govt. Grants	6	15,881,925	12,929,000
Rendering of services- fees from students	7	30,804,338	12,417,823
Sale of Goods	8	29,010	110,025
<b>Total Receipts</b>		<b>46,715,273</b>	<b>25,456,848</b>
<b>Payments</b>			
Use of goods and services	9	25,264,608	16,686,875
Compensation of employees	10	7,216,480	6,167,801
Board /Council Expenses	11	2,259,466	1,197,000
Repairs & Maintenance	13	1,610,777	850,944
Contracted Services	14	1,207,610	648,000
<b>Total Payments</b>		<b>37,558,941</b>	<b>25,550,620</b>
<b>Cash flow from Operating Activities</b>		<b>9,156,332</b>	<b>(93,772)</b>
<b>Adjustments for</b>		0	
<b>Net cash flows from Operating Activities</b>		<b>9,156,332</b>	<b>(93,772)</b>
<b>Cash flows from investing activities</b>		9,156,332	
Purchase of property, plant, equipment and intangible assets	18	(1,382,322)	(1,881,835)
<b>Net cash flows used in investing activities</b>		<b>7,774,010.00</b>	<b>(1,881,835)</b>
<b>Cash flows from financing activities</b>			
Repayment of payables		302,775	-
Increase in Capital Funds			
<b>Net cash flows used in financing activities</b>			<b>-</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>7,471,235</b>	<b>(1,948,346)</b>
Cash and Cash equivalents at 1 July 2023		8,001,825	9,950,171
<b>Cash and Cash equivalents at 30 June 2024</b>		<b>15,473,060</b>	<b>8,001,825</b>

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

Description	Original Budget	Adjustments	Final Budget 2023-2024	Actual On Comparable Basis	Performance difference	Utilization Difference
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs	(%)
<b>Revenue</b>						
Government development Grant	60,000,000	(40,000,000)	20,000,000	3,925,000	(16,075,000)	19.63%
Transfers from other Govt entities Govt grants	25,950,000	-	25,950,000	11,956,925	(13,993,075)	46.08%
Rendering of services- Fees from students	69,280,090	-	69,280,090	30,804,338	(38,475,752)	44.46%
Other Income	235,000	-	235,000	29,010	(205,990)	12.34%
<b>Total income</b>	<b>155,465,090</b>	<b>40,000,000</b>	<b>115,465,090</b>	<b>46,715,273</b>	<b>(68,749,817)</b>	<b>40.46%</b>
<b>Expenses</b>						
Compensation of employees	11,674,123	-	11,674,123	7,216,480	4,457,643	62%
Use of goods and services	74,424,183	-	74,424,183	25,264,608	47,951,965	36%
Board Expenses	2,859,359	-	2,859,359	2,259,466	599,893	79%
Repairs and Maintenance	5,690,250	-	5,690,250	1,610,777	4,079,473	28%
Contracted Services	817,175	-	817,175	1,207,610	390,435	32%
Development	60,000,000	(40,000,000.)	20,000,000	4,310,700	15,689,300	21%
<b>Recurrent Expenditure</b>	<b>155,465,090</b>	<b>-</b>	<b>115,465,090</b>	<b>41,869,641</b>	<b>73,595,449</b>	<b>36%</b>
<b>Surplus for the period</b>				<b>4,845,631</b>	<b>4,845,631</b>	

Budget notes)

**19. Notes to the Financial Statements**

**1. General Information**

Ugunja Technical and Vocational College is established by and derives its authority and accountability from TVET Act 2015. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is Training.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment 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, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

Standard	Effective date and impact:
IPSAS 42: Social Benefits	<p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul>

Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2022:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>
Other Improvements to IPSAS	<p><b>Applicable: 1st January 2021:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</li> <li>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</li> <li>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</li> <li>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</li> </ul>

**ii. Early adoption of standards**

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

**4. Summary of Significant Accounting Policies**

**a) Revenue Recognition**

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

**Transfers from other government entities**

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

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comprehensive income over the useful life of the assets that has been acquired using such funds.

**ii. Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**b) Budget information**

The original budget for FY 2023/2024 was approved by the Board on 13/04/2023. Subsequent revisions or additional appropriations were not made to the approved budget in accordance with specific approvals from the appropriate authorities. There were no additional appropriations added to the original budget by the College in order to conclude the final budget. There was some review done in order to take care of the new board committee, and projects.

The College's budget is prepared on the same 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 as well as the budget is prepared on accrual basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, was then presented in the statement of comparison of budget and actual amounts.

**c) Taxes**

**Current income tax**

The college is exempted for paying taxes as per the schedule chapter 501 C 3 internal revenue code 501 of income Tax Act, 2012.

**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

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at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of years.

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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

The college used the following depreciation rates on its assets:

<b>Assets</b>	<b>Rate</b>
Building	5%
Building (Temporary Erection)	40%
Furniture's And Fittings	12.5%
Software	20%
Computer And Accessories	33.3%
Cutlery And Catering Equipment	10%
Plant And Equipment	15%
Motor Vehicle	20%

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The 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 so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

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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

#### **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. The College does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the College's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

### ***Financial assets***

#### **Initial recognition and measurement**

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The college determines the classification of its financial assets at initial recognition.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

### **Held-to-maturity**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the college has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

### **Impairment of financial assets**

The college assesses at each reporting date whether there is objective evidence that a financial asset or college financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty.
- Default or delinquency in interest or principal payments.
- The probability that debtors will enter bankruptcy or other financial reorganization

Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

### **Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The college determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

#### **Loans and borrowing**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

#### **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 an nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

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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***

The college 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***

The college 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) Nature and purpose of reserves**

The college has not created and maintained reserves in terms of specific requirements.

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

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

**n) 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.

**o) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and

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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.

#### **p) Related parties**

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

#### **q) 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.

#### **r) 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

#### **s) Comparative figures**

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

#### **t) 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

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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 were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 16. 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. The college has provided for cost of assets a waiting valuation by the Government experts. This provision was based on the prevailing market rates.

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

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Unconditional grants</b>		
Operational grant	11,956,925	7,929,000
Capitation grants		
<b>Conditional Grant</b>		
Development Grants for Construction of Building and Civil Engineering Complex	3,925,000	5,000,000
<b>Total government grants and subsidies</b>	<b>15,881,925</b>	<b>12,929,000</b>

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**7. Rendering of Services**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Tuition	23,982,201	11,902,302
Activity	4,000,368	4,350,523
Examination Fees	2,416,645	3,652,078
Library Fees	1,425,000	1,788,596
Electricity, Water & Conservancy	3,001,473	1,272,850
Administration Cost	6,561,585	3,233,010
Repairs, Maintenance & Improvement	2,259,56	1,008,065
Student Organization	707,236	576,037
Industrial Attachment	1,394,828	432,028
Medical	966,658	83,651
Research	1,707,000	754,226
Local Transport & Travel	6,128,611	2,209,104
Personnel Emoluments	6,000,457	3,998,233
Development	2,000,133	1,440,093
Registration	1,296,003	1,346,487
<b>Total revenue from the rendering of services</b>	<b>63,847,761</b>	<b>38,047,283</b>

**8. Sale of Goods (Other Income /Production Unit)**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Tender	8,000	-
Sales From Food And Beverage	21,010	110,025
<b>Total</b>	<b>29,010</b>	<b>110,025</b>

During the Financial Year 2023/2024 the College realized Kshs 8,000 from sales of tender and Kshs 21,010 from sales of Food and Beverage from the cafeteria.

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**9. Use of Goods and Services**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Tuition	4,343,062	2,666,213
Activity	1,069,294	978,445
Examination Fees	4,436,933	3,854,954
Library Fees	439,783	-
Electricity, Water & Conservancy	354,072	390,959
Administration Expenses	8,909,997	5,981,803
Student Organization	135,665	189,345
Industrial Attachment Cost	598,034	396,538
Medical Expenses	-	10,760
Research and Innovations	287,150	244,015
Local Transport & Travel	3,382,191	1,434,163
Development	559,927	531,680
Registration	748,500	8,000
<b>Total Goods and Services</b>	<b>25,264,608</b>	<b>16,686,875</b>

**10. Employee Costs**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Salaries and Wages	5,906,675	5,745,693
Employee related costs – Contributions NSSF NHIF, NITA and PAYE, Housing Levy	1,309,805	422,108
<b>Total</b>	<b>7,216,480</b>	<b>6,167,801</b>

**11. Board Expenses**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Sitting Allowance	1,845,000	1,050,000
Transport Allowance		147,000
Board related Expenses	414,466	-
<b>Total</b>	<b>2,259,466</b>	<b>1,197,000</b>

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**12. Depreciation and Amortization Expense**

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, Plant and Equipment	4,157,900	4,157,634
Intangible Assets	152,800	0
<b>Total depreciation and amortization</b>	<b>4,310,700</b>	<b>4,157,634</b>

**13. Repairs, Maintenance and Improvement**

Description	2023/2024	2022/2023
	Kshs	Kshs
Cleaning materials	132,000	109,425
Window grills/chairs	563,470	196,150
Electrical/plumbing materials	272,900	326,582
Landscaping	34,450	218,787
Repair property (classrooms)	607,957	-
<b>Total</b>	<b>1,610,777</b>	<b>850,944</b>

**14. Contracted Services**

Description	2023/2024	2022/2023
	Kshs	Kshs
Security services	594,000	648,000
Property valuation	613,610	-
<b>Total contracted services</b>	<b>1,207,610</b>	<b>648,000</b>

**15. Cash and Cash Equivalents**

Description	2023/2024	2022/2023
	Kshs	Kshs
Current account (Cashbook)	6,480,552	2,961,060
Development – Account	8,925,033	5,027,261
Cash at hand	67,475	13,504
<b>Total Cash and Cash Equivalent</b>	<b>15,473,060</b>	<b>8,001,825</b>

*(The amount should agree with the closing and opening balances as included in the statement of cash flows)*

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**15 (a). Detailed Analysis of Cash and Cash Equivalents**

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
a) Current account			
Kenya Commercial Bank – Fee Account	1263416225	6,480,552	2,961,060.15
Kenya Commercial Bank – Operation A/C	12637099354	8,925,033	5,027,261
<b>Sub-total</b>		<b>15,405,586</b>	<b>7,988,321.15</b>
b) Cash in hand		67,475	13,504
<b>Sub – Total</b>		<b>67,475</b>	<b>34,504</b>
<b>Grand total</b>		<b>15,473,060</b>	<b>8,001,825.15</b>

**16. Receivables from Exchange transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Current Receivables</b>		
Students Debtors	44,871,006	16,642,246
<b>Total</b>	<b>44,871,006</b>	<b>16,642,246</b>

*(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)*

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

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	2023/2024	% of the total	2022/2023	% of the total
Less than 1 year	13,956,000	54%	3,315,976	14.4%
Between 1- 2 years	3,856,480	69.7%	5,527,500	87.16%
Between 2-3 years	7,172,456	77.0%	4,671,570.0	45%
Over 3 years	19,886,070	45%	5,925,029	41.8%
<b>Total</b>	<b>44,871,006</b>	<b>45.4</b>	<b>10,596,599</b>	<b>30%</b>

**17. Inventories**

Description	2023/2024	2022/2023
	Kshs	Kshs
Stationery	399,659	106,936
Cleaning Materials stores	117,948	20,065
Practical Materials	237,093	550,923
Catering stores	61,260	358,851
Electrical stores	57,537	727,647
Building Store	230,729	-
Hair Dressing and Beauty Therapy	280,950	-
<b>Total</b>	<b>1,385,176</b>	<b>1,764,422</b>

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**18. Property, Plant and Equipment**

	Land	Buildings	Furniture & Fittings	Computer & Computer Accessories	Catering Equipment & Cutlery	Plant & Equipment	Motor Vehicle	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	-	0.05	0.13	0.33	0.10	0.15	0.20	
At 1st July 2020	3,000,000	54,386,080	1,815,664	25,512	15,091	6,634,902	-	65,877,249
Additions/Transfers/Adjustments	-	-	986,500	415,000	236,532	50,000	-	1,688,032
At 30th June 2021	3,000,000	54,386,080	2,802,164	440,512	251,623	6,684,902	-	67,565,281
Depreciation	-	(3,934,932)	(560,432)	(176,204)	(50,324)	(1,336,980)	-	(6,058,872)
At 1st July 2021	3,000,000	50,451,148	2,241,732	264,308	201,299	5,347,922	-	61,506,409
Additions/Transfers/Adjustments	-	3,949,233	699,000	694,622	86,026	886,817	-	6,315,698
At 30th June 2022	3,000,000	54,400,381	2,940,732	958,930	287,325	6,234,739	-	67,822,107
Depreciation	-	(2,176,015)	(294,073)	(385,572)	(28,733)	(935,211)	-	(3,819,604)
At 1st July 2022	3,000,000	52,224,366	2,646,659	573,358	258,592	5,168,301	-	63,871,276
Additions	-	683,090	977,800	174,150	46,795	30,000	-	1,911,835
Transfers	3,704,972	-	-	-	-	-	-	3,704,972
At 30th June 2023	6,704,972	52,907,456	3,624,459	747,508	305,387	5,198,301	-	69,488,083
Depreciation	-	(2,645,373)	(453,057)	(248,920)	(30,539)	(779,745)	-	(4,157,634)
At 1st July 2023	6,704,972	50,262,083	3,171,402	498,588	274,848	4,418,556	-	65,330,449
Additions/Transfers/Adjustments	-	491,112	225,000	227,040	20,585	37,625	8,500,000	9,512,322
At 30th June 2024	6,704,972	50,753,195	3,396,402	725,628	295,433	4,456,181	8,500,000	74,831,811
Depreciation	-	(2,537,660)	(424,550)	(211,984)	(29,543)	(668,427)	(285,736)	(4,157,900)
Transfer/Adjustments	(500,000)	31,434,465						30,934,465
Net Book Value								-
As at 30 June 2024	6,204,972	79,650,000	2,971,852	513,644	265,890	3,787,754	8,214,264	101,608,376

**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). The assets were revalued by professional valuer on 18/09/2024. These amounts were adopted in the financial statements on 20/09/2024

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**18 (a) 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:

<b>Description</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>NBV</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Land	6,204,972	0	6,204,972
Buildings	79,650,000	0	79,650,000
Plant and Machinery	7,639,344	3,851,590	3,787,754
Catering Equipment & Cutlery	405,029	139,139	265,890
Computer and Related Equipment	1,536,324	1,022,680	513,644
Furniture, And Fittings	4,703,964	1,732,112	2,971,852
Motor Vehicle	8,500,000	285,736	8,214,264
<b>Total</b>	<b>108,639,633</b>	<b>7,031,257</b>	<b>101,608,376</b>

**19. Intangible Assets**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Cost</b>		
<b>At beginning of the year</b>	464,000	464,000
Additions	300,000	-
<b>At end of the year</b>	764,000	464,000
Additions–internal development		-
At end of the year	764,000	464,000
Amortization and impairment	(152,800)	0
At beginning of the year	611,200	464,000
Amortization	0	0
At end of the year	611,200	464,000
Impairment loss	0	0
At end of the year	611,200	464,000
<b>NBV</b>	<b>611,200</b>	<b>464,000</b>

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**20. Trade and Other Payables**

Description	2023/2024	2022/2023
	Kshs	Kshs
Trade creditors	951,670	974,445
<b>Total</b>	<b>951,670</b>	<b>974,445</b>

**21. Refundable Deposits from Students**

Description	2023/2024	2022/2023
	Kshs	Kshs
Prepaid Fees	1,534,500	1,850,400

**22. Cash generated from operations.**

Surplus for the year before tax	2023/2024	2022/2023
	Kshs	Kshs
Adjusted for:		
Depreciation	4,310,700	4,157,634
Working Capital Adjustments		
Increase/decrease in Inventory	459,246	(207,970)
Increase in Receivables	(14,113,789)	(11,759,099)
Increase /Decrease in Payables	22,275	279,000
Increase in Payments received in advance	315,900	(1,357,663)
<b>Net Cash Flow from Operating Activities</b>	<b>(7,744,204)</b>	<b>(8,888,084)</b>

*(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)*

**Financial Risk Management**

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

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

**i. Credit Risk**

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

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

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

Description	Total amount	Fully performing	Past due	Impaired
At 30 June 2023	Kshs	Kshs	Kshs	Kshs
Receivables from exchange transactions	16,845,043	16,845,043	21,202,240	4,357,197
Receivables from non-exchange transactions	7,929,000	7,929,000	5,998,500	1,930,500
Bank balances	7,988,321	2,961,060	16,642,246	13,681,186
<b>Total</b>				
At 30 June 2024				
Receivables from exchange transactions	45,023,806	16,845,043	21,202,240	4,357,197
Receivables from non-exchange transactions	11,956,925	11,993,500	25,950,000	17,956,500
Bank balances	15,405,586	6,480,552	-	-
<b>Total</b>				

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)*

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

The entity has significant concentration of credit risk on amounts due from 2024.

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

**ii. Liquidity risk management**

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

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

**iii. Market risk**

The entity has put in place an internal audit function to assist it in assessing the risk faced by

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the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

The entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

**Interest rate risk**

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

***Management of interest rate risk***

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

***Sensitivity analysis***

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point.

**iv. Capital Risk Management**

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

**23. Related Party Balances**

**Nature of related party relationships**

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

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**Government of Kenya**

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

- i) The National Government;
- ii) The Ministry of Education;
- iii) Key management;
- iv) Board of governors;

**24. Events after the Reporting Period**

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

**25. Currency**

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

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**26. Appendices**

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/UGUNJATVC/2021/2022/(28)	Inaccuracy in the financial statements	The management reconciled the inaccuracies as was presented in the amended financial statements for accuracy.	Resolved	
OAG/UGUNJATVC/2021/2022/(28)	Irregularities in Property Plant and Equipment	The management passed the journal entries for the correction of the variances to show true and fare view of the status of the entity.	Resolved	
OAG/UGUNJATVC/2021/2022/(28)	Outstanding student debtors	The management communicated to the Ministry for the none remittance.	Not resolved	Indefinite
OAG/UGUNJATVC/2021/2022/(28)	Prior year matters	The college did not receive Capitation for 175 trainees for financial year 2019/2020 Quarter 3 and 4 amounting to Ksh. 2,625,000.00 recurrent grant amounting to Ksh. 1,000,000.00 for first and second Quarter and development grant amounting to Ksh. 17,000,000.00 thus totaling to Ksh. 20,625,000.00 further there was a delay in HELB disbursement amounting to Ksh 146,878.00	Resolved	
OAG/UGUNJATVC/2021/2022/(28)	Budgetary control and performance	The college did not receive Capitation for 175 trainees for financial year 2019/2020 Quarter 3 and 4 amounting to Ksh. 2,625,000.00 recurrent grant amounting to Ksh. 1,000,000.00 for	Resolved	

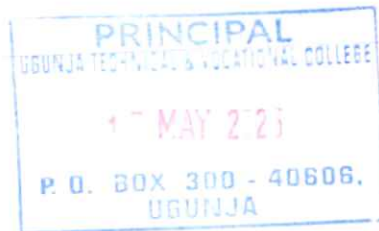
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		first and second Quarter and development grant amounting to Ksh. 17,000,000.00 thus totaling to Ksh. 20,625,000.00 further there was a delay in HELB disbursement amounting to Ksh. 146,878.00		
OAG/UGUNJATVC/2021/2022/(28)	Failure to gazette appointments of Board of Governors	The management of Ugunja requested for the Gazette notice for the Board Members Appointment from the Principal Secretary of the State Department for Vocational and Technical Training parent ministry. Given that the Cabinet Secretaries office does the appointment.	Resolved	
OAG/UGUNJATVC/2021/2022/(28)	Gaps in staff Establishment	The Government through Public Service Commission posted 16 trainers to the college thus alleviated the problem.	Resolved	
OAG/UGUNJATVC/2021/2022/(28)	Lack of internal Audit Function	The management has an audit committee in place and has sourced for an Institutional Internal Auditor to enhance its operations and minimize internal control process.	Resolved	



**Audrey M.A. Odhiambo**  
**Accounting Officer**  
**(PRINCIPAL/BOG SEC.)**

**Date:15/05/2025**



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**Appendix II: Projects Implemented by Ugunja TVC**

**Projects**

Projects implemented by The Ugunja Technical and Vocational College

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)
Enterprise Resource Planning (ERP)		BOG			N/A	Yes
Building and Civil Engineering Complex		National Government		100%		Yes
College Bus		Ugunja NG-CDF		100%		Yes

**Status of Projects Completion**

	Project	Total Project Cost	Total Expended to date	Completion % to date	Budget	Actual	Sources of funds
1.	Building and Civil Engineering Complex	20,000,000	Nil	20%	60,000,000	8,295,000	Gok

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

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Greening of TVET	Tree Planting and Beautification of College	To Achieve the Beta Agenda of Plating 300,000 trees	Plating at least 3000 trees every year per All Staff					BoG	KEFRI, KCB and Neighboring Schools

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**Appendix IV: 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	(Kshs	Comments
Building and Civil Engineering Shade	Building of The New Shade	Blown by The Wind During El-Nino Period	Planting More Trees, Using Required Materials	Materials For Construction Of The New Shade	Ksh 3,000,000	To Source for Funds from Government
Roof Of Main Building	Repair Of The Roof	Blown By Wind During El Niño	Planting More Trees, Using Required Materials	Repair Of The Roof	Ksh 50,000	Management Has Done the Repairs