
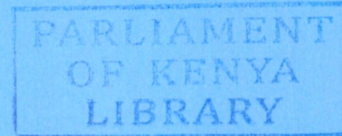


REPORT

 THE NATIONAL ASSEMBLY	
DATE: 16 FEB 2022	
DAY: Wed	
TABLED BY:	LOM
CLERK-AT THE-TABLE:	S. Kalawa

THE AUDITOR-GENERAL

ON



**KIPIPIRI TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR FIFTEEN MONTHS PERIOD
ENDED 30 JUNE, 2019**



KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR FIFTEEN MONTHS ENDED
JUNE 30, 2019

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

10 JUL 2020

Kipipiri Technical and Vocational College
Annual Reports and Financial Statements
For the year ended June 30, 2019

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Kipipiri Technical and Vocational College is a public TVET institution under the Ministry of Education and it is an integral part of the skills development system in the country. Its mandate is derived from the TVET Act 2013 and it is responsible for offering skills development programmes to youth and adults in the technical, business and scientific fields in order to satisfy the needs of the national economy.

Its construction started in 2014 under phase I which comprised of 60 TTIs through the national government initiative to construct a TTI in each of the 290 constituencies.

Kipipiri TVC is built on a 2.2 Hectares parcel of land at Mawingo shopping Centre along the Olkalou- Engineer road in a quiet environment conducive for learning.

(b) Principal Activities

The core objectives are:

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

Motto:

Excel in Skills and Technology.

Vision:

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

Mission:

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

Kipipiri Technical and Vocational College
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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

Mandate:

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

(c) Key Management

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

- Board of Governors.
- Principal

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Samuel Maina King'ori
2.	Accounts Office	David Githinji Ndung'u
3.	H.O.D Electrical	Virginia Wagaki Kamwaro
4.	H.O.D ICT	Mary Njeri Wangechi
5.	H.O.D Business	Harun Nderitu Karara

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(e) Fiduciary Oversight Arrangements

The key fiduciary Oversight committees are:

**I. Academic Committee
Members**

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

**II. Finance Committee
Members**

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

**III. B.O.G Executive committee
Member**

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

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

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

(g) Entity Contacts

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

(h) Entity Bankers

1. Equity Bank

Ol Kalou Branch, Kenya
Account Name: Kipipiri Technical and Vocational College
Account Number: 0620276272211

2. Co-operative Bank

Ol Kalou Branch, Kenya
Account 1 Name: Kipipiri Technical and Vocational College
Account Number: 01139467681000

Account 2 Name: Kipipiri Technical and Vocational College
Account Number: 01139467681001

(i) Independent Auditors

Auditor General

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


(ii) Principal Legal Adviser

The Attorney General





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

**Kipipiri Technical and Vocational College
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THE BOARD OF GOVERNORS

 <p>JOSEPH KARIUKI KAMIRI (B.O.G CHAIRMAN)</p>	<p>Date of birth: 1967</p> <p>Date of appointment: 29th January 2018</p> <p>Key qualification: MBA Marketing and Strategy</p> <p>Work experience:27 Years</p>
 <p>SAMUEL MAINA KING'ORI (PRINCIPAL/B.O.G SECRETARY)</p>	<p>Date of birth: 1st January 1960</p> <p>Date of appointment: 29th January 2018</p> <p>Key qualification: Higher Diploma Diploma in Technical Education</p> <p>Work experience: 35 Years</p>
 <p>JAYNE CINDY KAVUHA SONGOLE (BOG Member/ leadership and management).</p>	<p>Date of birth: 1st January 1958</p> <p>Date of appointment: 29th January 2018</p> <p>Key qualification: MSC (Human Resource Development)</p> <p>Work experience: 39 Years</p>

**Kipipiri Technical and Vocational College
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 <p>CAREN AKUMU AMBALE (BOG Member/ Financial Management)</p>	<p>Date of birth: 9th December 1987</p> <p>Date of appointment: 29th January 2018</p> <p>Key qualification: BA Economics</p> <p>Work experience: 8 Years</p>
 <p>ARCH JOEL ODHIAMBO OYUGA (BOG Member/Technology)</p>	<p>Date of birth: 9th January 1982</p> <p>Date of appointment: 29th January 2018</p> <p>Key qualification: Bachelor of Architecture</p> <p>Work experience: 12 Years</p>
 <p>PAUL NG'ANG'A MUIGAI (BOG Member)</p>	<p>Date of birth: 7th August 1977</p> <p>Date of appointment: 29th January 2018</p> <p>Key qualification: BSc Agricultural Engineering</p> <p>Work experience: 15 Years</p>
 <p>ZACHARY KARIUKI NDERTU(BOG Member)</p>	<p>Date of birth: 14th February 1986</p> <p>Date of appointment: 29th January 2018</p> <p>Key qualification: BSC Computer Technology</p> <p>Work experience: 10 Years</p>

**Kipipiri Technical and Vocational College
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ALICE KANYUA KIMEMIA
(BOG Member Industry)

Date of birth: 21st June 1958



Date of appointment: 29th January 2018

Key qualification: MBA (Human Resource Management)

Work experience: 38 Years

**Kipipiri Technical and Vocational College
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For the period ended June 30, 2019**

MANAGEMENT TEAM

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

CHAIRMAN'S STATEMENT

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

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

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

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

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

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

**Kipipiri Technical and Vocational College
Annual Reports and Financial Statements
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REPORT OF THE PRINCIPAL

The first batch of students was admitted in September 2017. The enrolment has grown to 144 students as at June 30, 2019.

Kipipiri TVC has three academic departments as follows:

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

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

- Diploma
- Craft
- Artisan

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

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

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

It is envisaged that Kipipiri TVC will introduce CBET courses by January 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Kipipiri Technical and Vocational College like other government technical institutions has the following major sources of revenues to finance its expenditures:

- Government non- recurrent grants.
- Government recurrent grants.
- Fees collections from trainees.

As an initiative to promote and instill technical skills to learners and youth, the government offered to give capitation grants of Shs.30,000 to each individual enrolled for a course in technical institutions, Kipipiri TVC being one of them. The flow of this capitation grant has not been adequate causing a lot of constraint in running the college operation.

Challenges have been experienced in implementation of development projects in the college due to lack of non- recurrent grants. More facilities in terms of lecture chairs, library equipment and books among others are needed in order to accommodate the increasing number of trainees, trainers and staff in the college.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Kipipiri Technical and Vocational College is concerned about creating a sense of goodwill between the college and its internal and external publics.

Our engagement in corporate social responsibility (CSR) has been born out of the realization we must integrate social and environmental concern into our business operations in order to remain relevant to not only our trainees, but also to local community and the society at large.

CSR signifies a commitment to behave ethically and to contribute to the economic development of the quality of life of the trainees and their relatives and the community around us.

As we embark on our CSR initiatives we integrate our training operations and values whereby the interest of all stakeholders, including trainees, workers and the community are reflected in our policies and actions.

The CSR programme is established to initiate our commitment to improve the quality of life of the idle young men and women in our society. As part of its commitment to CSR we marked and erected football posts in a community field near our college. This is intended to create a social interaction between our trainees and the other youth in our society during friendly matches.

BOARD OF GOVERNORS

The members of the Board who served during the period are shown on page seven to nine.

Auditors

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

**Kipipiri Technical and Vocational College
Annual Reports and Financial Statements
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REPORT OF BOARD OF GOVERNORS

The Board of governors submit their report together with the audited financial statements for the period ended June 30, 2019 which show the state of the Kipipiri TVC affairs.

Principal activities

The principal activities of the Kipipiri TVC are to provide quality training in technical, industrial, vocational and entrepreneurship.

RESULTS

The results of the Kipipiri TVC for the period ended June 30 2019 are set out on page 1.

BOARD OF GOVERNORS

The members of the Board who served during the period are shown on page vi- viii.

INDEPENDENT AUDITOR

The Auditor General is responsible for the statutory audit of the Kipipiri TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015 for the period ended June 30.

By Order of the Board

Samuel Maina King'ori

BOG Secretary



OI Kalou

Date:

6/7/2020

**Kipipiri Technical and Vocational College
Annual Reports and Financial Statements
For the period ended June 30, 2019**

STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

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

The Board of Governors are responsible for the preparation and presentation of Kipipiri Technical and Vocational 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 financial period ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Governors accept responsibility for Kipipiri Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, and the State Corporations Act, 2012 and the TVET Act, 2013. The Board of Governors are of the opinion that Kipipiri Technical and Vocational College's financial statements give a true and fair view of the state of College's transactions during the financial period ended June 30, 2019, and of the College's financial position as at that date. The Board of Governors further confirm the completeness of the accounting records maintained for Kipipiri Technical and Vocational College, which have been relied upon in the preparation of Kipipiri Technical and Vocational College financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Kipipiri Technical and Vocational College's financial statements were approved by the Board on 29th July 2019 and signed on its behalf by:



BOG Chairman



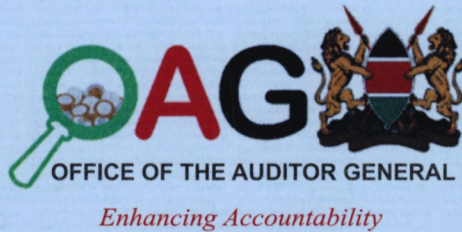
BOG Secretary



Board Member

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE FOR FIFTEEN MONTHS PERIOD ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Kipipiri Technical and Vocational College set out on pages 1 to 24, which comprise of the statement of financial position as at 30 June, 2019, and statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Adverse Opinion

1. Unexplained Variances in the Financial Statements

The balances reflected in the statement of financial performance in respect of receipts under Rendering Services- Fees from students and Other Payments differed with the balances reflected in the statement of cashflow as shown below:

Component	Statement of Cash flows (Kshs.)	Statement of Financial Performance (Kshs.)	Variance (Kshs.)
Rendering Services- Fees from students	2,689,940	3,273,117	(583,117)
Other Payments	2,560,650	0	2,560,650
Total	5,250,390	3,273,117	1,977,473

The net difference of Kshs.1,977,473 between the two sets of records have not been explained or reconciled.

Consequently,, the accuracy and completeness of the reported balances in the financial statements for the period ended 30 June, 2019 could not be confirmed.

2. Unreconciled Transfers from National Government Variance

The statement of financial performance reflects transfers from National Government-grants/ gifts in kind of Kshs.3,795,000. However, the balance differs with an amount of Kshs.3,544,192 reflected in records maintained by the State Department of Vocational and Technical Training. The variance of Kshs.250,808 between the financial statements and the parent Ministry had not been reconciled.

As a result, the accuracy and completeness of the transfers from National Government-grants/ gifts in kind of Kshs.3,795,000 for the period ended 30 June, 2019 could not be confirmed.

3. Property, Plant and Equipment

3.1 Unsupported Donated Equipment

The statement of financial position reflects Property, Plant and Equipment balance of Kshs.140,281,900 which as disclosed in Note 18 to the financial statements includes an amount of Kshs.84,614,400 for plant and equipment donated by the Ministry through a bilateral contract agreement with Peoples Republic of China dated 25 May, 2016. However, the assets have not been determined by a professional valuer. Further, Appendix III to the financial statements on list of fixed assets donated by the Ministry do not have values attached.

Consequently, the accuracy and fair statement of the property, plant and equipment balance as at 30 June, 2019 could not be confirmed.

3.2 Discrepancy on Depreciation Charge

The statement of the financial performance reflects depreciation and amortization expense of Kshs.23,186,100 which differs with the depreciation schedule figure of Kshs.1,366,649. The variance of Kshs.21,819,451 was not explained or reconciled.

Consequently, the accuracy and completeness of the depreciation and amortization expense for the period ended 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kipipiri Technical and Vocational College Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe

that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Key Audit Matters

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

Other Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects final income budget and actual on comparable basis of Kshs.8,463,000 and Kshs.7,168,117 respectively resulting to underperformance of Kshs.1,294,883 or 15% of the budget. Similarly, the College expended Kshs.5,147,250 against an approved budget of Kshs.7,608,000 resulting to an overall under-expenditure of Kshs.2,460,750 or 32% of the budget.

The underperformance affected on the planned activities which may have impacted negatively on service delivery for the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls,

Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for conclusion

1. Lack of Risk Management Policy

During the period under review, the College did not have a risk management strategy contrary to Treasury Circular No. 3/2009 of 23 February, 2009 which requires accounting officers to develop risk management strategies, including fraud prevention mechanism and internal control that builds robust business operations. Under the circumstances the adequacy and effectiveness of the risk management strategies and controls put in place could not be established.

2. Lack of Internal Audit Function and Committee

The College operated without an internal audit function and audit committee in place during the year under review.

In the absence of internal audit and audit committee, review of the effectiveness of internal control, risk management systems, and overall governance processes were not executed which may have hindered the efficient and effective execution of the College activities.

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

Responsibilities of Management and Board of Governors

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

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

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

The Board of Governors is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

14 October, 2021

Kipipiri Technical and Vocational College
Annual Reports and Financial Statements
For the period ended June 30, 2019

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30 JUNE 2019**

		15 MONTHS
	Notes	30-Jun-19
		Kshs
Revenue from non-exchange transactions		
Transfers from the National Government – grants/ gifts in kind	6	3,795,000
Total Revenue from non-exchange transactions		3,795,000
Revenue from exchange transactions		
Rendering of services- Fees from students	7	3,273,117
Other income	8	100,000
Revenue from exchange transactions		3,373,117
Total revenue		7,168,117
Expenses		
Use of goods and services	9	1,117,100
Employee costs	10	1,460,350
Reimbursement for BOG expenses	11	1,157,975
Depreciation and amortization expense	12	23,186,100
Repairs and maintenance	13	48,350
General expenses	14	1,363,475
Total expenses		28,333,350
Net Surplus for the period		(21,165,233)

The notes set out on pages 6 to 27 form an integral part of the Financial Statements

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	15 MONTHS
		Kshs
Assets		
Current assets		
Cash and cash equivalents	15	1,674,045
Receivables from exchange transactions	16	1,257,752
Total Current Assets		2,931,797
Non-current assets		
Property, plant and equipment	18	140,281,900
Total Non-current Assets		140,281,900
Total assets		143,213,697
Liabilities		
Current liabilities		
Trade and other payables from exchange transactions	17	428,736
Total Current Liabilities		428,736
Total liabilities		428,736
Capital and Reserves		
Accumulated surplus		(21,165,233)
Capital grants		163,950,194
Total Capital and Reserves		142,784,961
Total Liabilities and Capital & Reserves		143,213,697

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Governors by:

Principal

SAMUEL M.KING'ORI



Date.....6/7/2020.....

Accounts Assistant

DAVID G.NDUNG'U

ICPAK NO. 24902



Date.....6/7/2020.....

Chairman Board of Governors

JOSEPH K.KAMIRI



Date.....6/7/20.....

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**STATEMENT OF CHANGES IN NET ASSETS
FOR THE PERIOD ENDED 30 JUNE 2019**

	Accumulated Reserves	Development Grants Fund	Total
Balance b/f at July 1, 2017		-	-
Total comprehensive income	-		-
Balance c/d as at June 30, 2018	-	-	-
At April 1, 2018	-	-	-
Capital grants (fixed assets)	-	163,468,000	163,468,000
Total comprehensive income	(21,165,233)		(21,165,233)
Transfer of depreciation from capital fund to retained earnings	23,186,100	(23,186,100)	
At June 30, 2019	2,020,867	140,281,900	142,302,767

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**STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2019**

		15 MONTHS
	Note	Kshs
Cash flows from operating activities		
Receipts		
Transfers from other Government entities		3,795,000
Rendering of services- Fees from students		2,689,940
Other income, rentals and agency fees		100,000
Total Receipts		6,584,940
Payments		
Compensation of employees		1,460,350
Use of goods and services		1,117,100
Other payments		2,560,650
Grants and subsidies paid		
Total Payments		5,138,100
Net cash flows from operating activities		1,446,840
Net increase in cash and cash equivalents	15	1,,482,375
Cash and cash equivalents at 1 July 2018		227,205
Cash and cash equivalents at 30 June 2019		1,674,045

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE PERIOD ENDED 30 JUNE 2019**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from other Government grants	4,500,000	-	4,500,000	3,795,000	705,000
Rendering of services- Fees from students	3,963,000	-	3,963,000	3,273,117	689,883
Other income			-	100,000	(100,000)
Total income	8,463,000	-	8,463,000	7,168,117	1,294,883
Expenses					
Compensation of employees	3,418,000	-	3,418,000	1,460,350	1,957,650
Use of Goods and services	756,000	-	756,000	1,117,100	(361,100)
BOG Reimbursement		-	-	1,157,975	(1,157,975)
General expenses	3,434,000	-	3,434,000	1,411,825	2,022,175
Total expenditure	7,608,000	-	7,608,000	5,147,250	2,460,750
Surplus for the period	855,000	-	855,000	2,020,867	(1,165,867)

NOTES EXPLAINING THE REASON FOR THE DIFFERENCE AS PER IPSAS 24.14

1. The difference in transfer from other government grants is due to insufficient students' government capitation grants.
2. The difference in fees from students is due to low number of students' enrolment.
3. The movement in compensation of employees is due to few employees as a result of low number of students.
4. The movement in use of goods and services is due to low consumption due to low number of students.
5. The movement in BOG reimbursement is due to additional activities by the Board of Governors.
6. The movement in general expenses is due to low consumption due to low number of students.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kipipiri Technical and Vocational College is established by and derives its authority and accountability from PFM Act 2012, the State Corporations Act 2012 and the TVET Act 2013. Kipipiri Technical and Vocational College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College is established under the Ministry of Education, State Department for Vocational and Technical Training via certificate number **TVETA/PUBLIC/RC/0047/2017**.

Kipipiri Technical and Vocational College's principal activity is to provide quality training in technical, industrial, vocational and entrepreneurship.

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, 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 Kipipiri Technical and Vocational College's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5

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

The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act 2012, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

i. New and amended standards and interpretations in issue but not yet effective in the period ended 30 June 2019

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

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ii. Early adoption of standards

The Kipipiri TVC did not early adopt any new or amended standards in the period 2018/2019.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees

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

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

Transfers from other government entities

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

Recurrent grants are recognized in the statement of comprehensive income.

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

ii) Revenue from exchange transactions

Rendering of services

The Kipipiri 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 labor hours incurred to date as a percentage of total estimated labor hours.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information

The original budget for FY 2018/2019 was approved by the Board on 23rd November 2018.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Property, plant and equipment

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

Land is not depreciated.

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

<u>Item</u>	<u>Rate %</u>
Building	2
Plant and Machinery	20
Motor Vehicles	25
Library Books	10
Furniture and Fittings	12.5
Computer Equipment	30

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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

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

d) Intangible assets

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

Computer Software

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

e) Nature and purpose of reserves

a. Accumulated surpluses

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

b. Capital reserves

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Changes in accounting policies and estimates

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

The changes in accounting policy that took place during the period is adoption of accrual basis of accounting from the cash basis. This policy will help the institution to report its financial performance and position more accurate and fairly state the position and performance than the cash basis.

g) Employee benefits

Retirement benefit plans

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

h) Related parties

Kipipiri TVC regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Institution, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Principal, Head of Finance and Head of Procurement.

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

i) Cash and cash equivalents

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

j) Biological assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

k) Subsequent events

There have been no events subsequent to the financial period end with a significant impact on the financial statements for the period ended June 30, 2019.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

The Board of Governors made only one significant judgment in preparing these financial statements.

Useful lives and residual values

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	15 MONHTS
	KShs
Unconditional grants	
Operational grant from State Dep. for Voc. & Tech. Training.	1,500,000
Operational grant through NIST	1,500,000
Student Capitation grants	795,000
Total Unconditional grants	3,795,000
Conditional grants	
Other organizational grants	-
Total government grants and subsidies	3,795,000

7. RENDERING OF SERVICES

Description	15 MONHTS
	KShs
Tuition fees	3,273,117
Total revenue from the rendering of services	3,273,117

8. OTHER INCOME

Description	15 MONHTS
	KShs
Hire of facilities	100,000
Total rentals	100,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. USE OF GOODS AND SERVICES

Description	15 MONHTS
	KShs
Electricity	140,000
Water	30,300
Post box rental fee	7,800
Security	495,000
Subscriptions	182,800
Activity	261,200
Total good and services	1,117,100

10. EMPLOYEE COSTS

	15 MONHTS
	KShs
Salaries and wages	1,460,350
Total Employee costs	1,460,350

11. BOG REIMBURSEMENTS

Description	15 MONHTS
	KShs
Board reimbursements	1,157,975
Total BOG reimbursements	1,157,975

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. DEPRECIATION AND AMORTIZATION EXPENSE

Description	15 MONHTS
	KShs
Property and equipment	23,186,100
Total depreciation	23,186,100

13. REPAIRS AND MAINTENANCE

Description	15 MONHTS
	KShs
Building and Furniture	48,350
Total repairs and maintenance	48,350

14. GENERAL EXPENSES

Description	15 MONHTS
	KShs
Admin expenses	218,200
Printing and stationery	165,850
Fines and penalties (KRA)	10,000
Bank charges	13,175
Contingencies	21,650
Performance Contract	128,400
Travel, motorcar accommodation, subsistence and other allowances	543,800
Recruitment	223,400
Seminars and trainings	39,000
Total General expenses	1,363,475

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. CASH AND CASH EQUIVALENTS

Description	15 MONHTS
	KShs
Current account	1,674,045
Cash on hand	-
Total cash and cash equivalents	1,674,045

Breakdown of cash and cash equivalent

Name of the Bank	Account Number	Amount
		KShs
Equity Bank	0620276272211	641,019
Co-operative Bank	01139467681000	1,033,026
Total		1,674,045

16. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	15 MONHTS
	KShs
Current receivables	
Student debtors	1,257,752
Total current receivables	1,257,752

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	15 MONTHS
	KShs
Trade payables	-
Fees paid in advance	428,736
Total trade and other payables	428,736

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. PROPERTY, PLANT AND EQUIPMENT

The table below represents movement schedule of the institution's fixed assets.

The Institution is built in a piece of land that was donated by the community and the board of governance is in the process of transferring the land to the institution's name before it is valued.

During the year, the institution received several computers, furniture and fittings from the parent ministry whose value are indicated in the table below. The Board of Governors is in the process of contracting a professional valuer who will revalue the land of the institution. The cost of the land has not yet been established and therefore, it's not included in the movement schedule below. A list of all the assets has been provided under Appendix III.

	Buildings	Land 2.2 H	Furnitur e and fittings	Compute rs	Plant and equipment	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs
At 31 th March 2018	53,000,000	0	2,500,000	2,200,000	105,768,000	163,468,000
Additions						-
Disposals						-
Transfer/adjustm ents						-
At 30 th June 2019	53,000,000	0	2,500,000	2,200,000	105,768,000	163,468,000
Depreciation and impairment						
At 31 st March 2018		-	-	-	-	
Depreciation	1,060,000	0	312,500	660,000	21,153,600	23,186,100
At 30 th June 2019	1,060,000	-	312,500	660,000	21,153,600	23,186,100
Net book values						-
At 30 th June 2019	51,940,000	0	2,187,500	1,540,000	84,614,400	140,281,900

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks including credit and liquidity risks. The entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The entity does not hedge any risks.

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

(i) Credit risk

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

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs
At 30 June 2019			
Receivables from exchange transactions	1,257,752	-	1,257,752
Bank balances	1,674,045	1,674,045	-
Total	2,931,797	1,674,045	1,257,752

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the institute potentially irrecoverable amounts.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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

20. FINANCIAL RISK MANAGEMENT (continued)

(ii) Liquidity risk management

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of Kipipiri TVC, holding 100% of Kipipiri TVC's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Kipipiri TVC, both domestic and external.

Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key Management;
- iv) Board of Directors;

	15 MONHTS
	Kshs
Transactions with related parties	
a) Grants from the Government	
Grants from National Government	3,000,000
Capitation	795,000
Donations in kind	163,468,000
Total	167,263,000
b) Key management compensation	
BOG reimbursement	1,157,975
Total	1,157,975

22. EVENTS AFTER THE REPORTING PERIOD

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. ULTIMATE AND HOLDING ENTITY

Kipipiri Technical and Vocational College is a State Corporation under the Ministry of education. Its ultimate parent is the Government of Kenya.

24. CURRENCY

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

APPENDIX I: PROJECTS IMPLEMENTED BY KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE

The table below contains a list of projects that the College had budgeted for to be implemented in the financial year 2018-2019 FY. However, the projects were not implemented due to lack of development grants from the National Government.

	Project name	Budgeted Amount (Kshs.)
1	Renovation of the old tuition block	350,000
2	Lecture chairs	600,000
3	Technical drawing tables	250,000
4	Library books	1,000,000
5	Library Equipment and furniture	1,570,800
6	Electrical installation workshop equipment	300,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

I. APPENDIX II: INTER-ENTITY TRANSFERS

	Kipipiri TTI			
	Break down of Transfers from the State Department of Vocational and Technical Training			
	FY 2018/19			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY to which the amounts relate</u>
	MOE -Grants		3,000,000	FY 2018/19
	MOE - Capitation		795,000	FY 2018/19
		Total	3,795,000	

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

David O. Ndung'u

[Signature]

Finance Officer

Kipipiri Technical and Vocational College

Date 6/7/2020

[Signature]
Paul Outo
 Head of Accounting Unit
 DIRECTOR, TECHNICAL EDUCATION
 STATE DEPARTMENT OF VOCATIONAL
 & TECHNICAL TRAINING
 Ministry of Education
 MINISTRY OF EDUCATION
 P. O. BOX 9583 - 00200,
 NAIROBI 9/7/2020

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

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