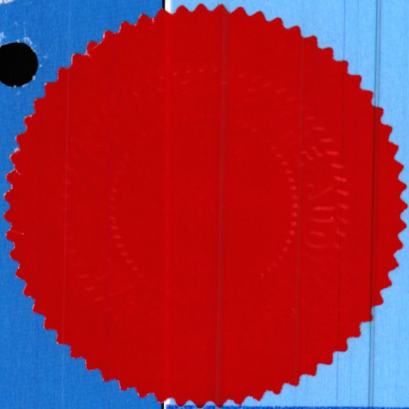



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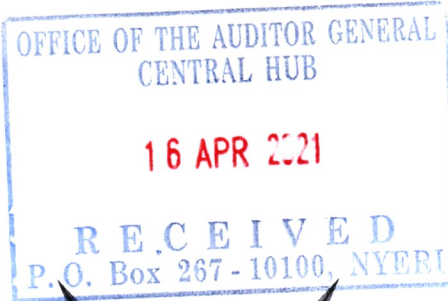
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CLERK-AT THE-TABLE:	Finlay Munoki

THE AUDITOR-GENERAL

ON

**MATHIOYA TECHNICAL AND
VOCATIONAL COLLEGE**

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



Template: June 2020



INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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KEY COLLEGE INFORMATION AND MANAGEMENT

(a) Background information

Mathioya Technical and Vocational College is located in Kamacharia Location, Kamacharia Division, Mathioya sub-county, Murang'a County. It started in 2014 on a land donated by the local community for the purpose. The foundation stone was laid by the Hon. Dr. William Samoei Ruto (Deputy President of the republic of Kenya) on 2nd October, 2014. The construction of the Institute buildings started in 25th November, 2014 and by 2017 the building had been completed. The College was officially registered on 25th April, 2017 and admitted the first batch of students in January 2018 and currently the college has student population of 216 students and more are coming because the college has a capacity of 500 plus students

(b) Principal Activities

MTVC is a national public tertiary institution under the Ministry of Education, it operates under the Education Act 213 and TVET Act 2013 Laws of Kenya. The College's operations are also carried out in accordance with the Government policies and procedures as spelt out in official documents and circulars. The institution operates under the management of the Board of Governors appointed by the Minister in charge of Education. The Principal is the institution's CEO and the secretary to the BOG. On the day-to-day operations of the college, the Principal is assisted by the Deputy Principal, the Registrar, the Dean of Students and Heads of Departments. The students participate in College's governance through a student's association led by an elected student council

The college is Centre of excellence in Automotive Engineering. The college received modern tools and equipment in the area of ICT and AUTOMOTIVE ENGINEERING worthy 127,000,000. (One Hundred Twenty-Seven Million). This government act was to bring to the youths of Murang'a county the modern technology so that they can have hands on skills for self-reliance which is also our motto.

Trainees trained in Mathioya Technical and Vocational College are competently prepared emotionally, intellectually and spiritually. They are equipped with *Hands on Skills* and Technology to make a difference in this generation and generations to come. The Mathioya Technical and Vocational College is committed to offering the best and top quality training. We provide the state -of- the -art modern facilities for training.

We do so to make our trainees more competitive and competent in their professions. Mathioya Technical and Vocational College is growing from strength to strength, we are determined to offer training in a diverse, qualitative and an interactive platform that creates and nurtures talents among trainees. We offer courses from Diploma, Craft, Artisan and skill upgrade levels for those people who are practicing and have no formal certificate. There is no age limit for you to be admitted at MATHIOYA TVC because we offer both regular, part-time and school based trainings.

Vision Statement

To be a leading technical college for sustainable development.

Mission Statement

To produce globally competitive graduates through competency based education and training

Our core values are;

1. Integrity
2. Equity
3. Professionalism
4. Teamwork

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5. Customer focus

6. Innovation

(c) Key Management

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

- Board of governors
- Accounting officer/ Principal
- Heads of Departments
- Heads of sections

(d) Fiduciary Management

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

No.	Designation	Name
1	Chief Principal	Jackson Mbae
2	Finance office	Priscillah Watiri Wanjohi
3	Procurement Officer	Fiona Njoki
4	Secretary	Alice Wanjiru Wangui
5	Examination Officer	Benson Mathu Macharia
6	Registrar	Patrick Mwangi Mitobio
7	HoD - Automotive	Jane Kanini
8	HoD – computer studies	Geoffrey Kamau
9	HoD- Electrical and Electronics	Alexander Kagure

(e) Fiduciary Oversight Arrangements

Audit committee activities

- Establish Internal Audit Functions
- Formulate whistleblowing Policy in the College
- Formulate and Review of OHS Policy
- Insurance of all assets general accident cover for students and BOG employees
- Formulation and Implementation of Anti- Corruption Policy
- Putting in place Security Surveillance Mechanisms
- Enhance Security of the Institution
- Formulation and Review of Security Policy
- Establish and Maintain Archives
- Formulate and Implement ICT Policy
- Carry out an audit on values of governance
- Ensure all financial transactions are properly authorized

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- Ensure proper fees collection mechanisms
- Ensure proper systems controls in all service points

- *Development partner oversight activities*

The functions of the Authority shall be to— (a) regulate and co-ordinate training. (b) accredit and inspect programmes and courses; (c) advise and make recommendations to the Cabinet Secretary on all matters related to training; (d) determine the national technical and vocational training objectives; (e) promote access and relevance of training programmes within the framework of the overall national socio-economic development plans and policies; (f) prescribe the minimum criteria for admission to training institutions and programmes in order to promote access, equity and gender parity; (g) recognize and equate qualifications awarded by local or foreign technical and vocational education institutions in accordance with the Standards and guidelines set out by the Authority from time to time; (h) develop plans, and guidelines for the effective implementation of the provisions of this Act; (i) establish a training system which meets the needs of both the formal and informal sectors as provided under this Act; (j) collect, examine and publish information relating to training; (k) inspect, license, register and accredit training institutions; (l) advise on the development of schemes of service for trainers; (m) assure quality and relevance in programmes of training; (n) liaise with the national and county governments and with the public and the private sector on matters relating to training; (o) undertake, or cause to be undertaken, regular monitoring, evaluation and inspection of training and institutions to ensure compliance with set standards and guidelines; (p) mobilize resources for development of training; (q) ensure the maintenance of standards, quality and relevance in all aspects of training, including training by or through open, distance and electronic learning; (r) approve the process of introduction of new training programmes and review existing programmes in Technical and Vocational Education and Training Board institutions;

- *Other oversight activities*

. Role of the Cabinet Secretary

- (1) The Cabinet Secretary in consultation with the other Ministries and the private sector involved in training shall develop policies and provide strategies for the development of a national training system. (2) The Cabinet Secretary shall have the overall responsibility in the provision of training and shall, in collaboration with other Ministries and stakeholders, be responsible for promoting access, equity, quality and relevance in training. (3). The Cabinet Secretary shall provide policy guidance on all matters relating to the implementation.

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(f) College Headquarters

P.O. Box 363-10204
Kiria-ini-Murang'a Road
Murang'a, KENYA

(g) College Contacts

Telephone :(254) 0791-334282
E-mail: mathiyatti@gmail.com
Website: www.mathioyatechnical.ac.ke

(h) College Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Murang'a Branch
PO Box
Murang'a Kenya

(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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THE BOARD OF GOVERNORS



Jackson Mbae
Chief Principal/Secretary of the board

Jackson Mbae, born in 1965, holds a Bachelor's Degree In Education (science) from Kenya Methodist University, master's degree in theology from New Life Bible College and Seminary (Hillsville, Virginia), Higher Diploma In Entrepreneurship Development from The Nyeri National Polytechnic, Diploma in Technical Education (Automotive Option) from Kenya Technical Trainers College , certificate course in automotive engineering, from Meru College of Technology, senior management course from Kenya Management Institute (KEMI) and Strategic Leadership Development Program (SLDP) from Kenya School of Government (KSG) Embu. He has a wealth of experience in institutional management having climbed through the ranks to the current position of the principal. Since 2003, worked as examination officer, Registrar and Deputy Principal, Assistance Pastor Prime Ministries International (The Family Church, Nyeri). Appointed as the Principal of Mathioya Technical and Vocational College in July 2017. Has attended various leadership seminars and forums both National and international. Age 55



Eva Njeri Mwenja
Chair of the Board of Governor's

Miss. Mwenja born in 1969, Holds of Master's degree in Education (Leadership and Management), Bachelor's degree in Education (ARTS) from Kenyatta University. Thogoto Teachers Training College – School Based Teacher Development Course and Introductory Training Certificate-Scouts. She has enormous experience in teaching having worked with various institutions which includes Huruma Girls High School with 5 years experience as Head of Departments clubs and societies, Kigumo Primary School-Teaching and choir trainer, Kathanthatu Primary School-choir trainer, Baitigitu Primary School, Marura Primary School-Chairperson School Science Panel, Scouts Leader, Teaching. She is also a mentor in various primary schools and secondary schools within Mathioya Constituency.

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She has obtained various awards which includes Certificate of participation during the Kenya National Music Festival, Certificate of participation as a trainer, an examiner of PTE examination Kiswahili paper 1 and KCPE INSHA. A chairperson of KANORWE WELFARE GROUP based in Nairobi with members totalling to three hundred and fifty (350). Currently working at Murang's Teachers College. Age 51.



Shem Kihara Maina
Executive Board of Governor

Mr. Shem Kihara, born in 1968, holds a Bachelor's degree in Agricultural Engineering (upper second class) from Egerton University, Post graduate diploma in technical education from Kenya Technical Trainers College, Masters of Business Administration degree (HRM option) from Kenyatta University. Currently pursuing a PhD in Business Administration (HRM specialization) at the University of Nairobi. He is fully conversant with institution governance matters having worked as a senior teacher and a lecturer in various institutions which includes University of Nairobi (part time lecturer), Mathenge Institute of Technology, Giakanja High School (HOD careers), Moi Nyeri Complex Secondary School, He also has held various positions which includes CU patron, Consultant-Management, Human Resource and Careers, Chairman-development committee Full Gospel Churches of Kenya. Currently a part time lecturer at the University of Nairobi and the Director Nyeri Fountain Kindergarten. Age 52.



Njeri Cecilia Macharia
Executive Board of Governor

Mrs. Macharia, born in 1965, holds a Bachelor's degree in Business Administration (HR Management Option) from Kenya Methodist University, Diploma in Business Administration from International Correspondence Schools (ICS), Certificate in Purchasing and Supplies Management from the University of Nairobi (Extra Mural Studies). She is a full member of the Institute of Human Resource Management. Appointed to the Board of Mathioya technical and Vocational College on January 29, 2018. She has also attended various managerial trainings/workshops programs. Mrs Macharia has previously worked with Gatuguta & Gatuguta Advocates, Kenya Power and Lighting Company, KenGen (Senior Clerk Insurance Section), Human Resource Officer 1 and 2 Planning & Recruitment). Currently the senior Human Resource Officer at KenGen in charge of Upper Tana Area. Employee Relations at Stima Plaza Nairobi. Age 55.

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Samuel Kariuki
Non-Executive Board of Governor

Mr. Kariuki, born in 1980, holds Bachelor's degree of Technology in Chemical and Process Engineering from Moi University, Bachelors of Science in Applied Accounting from Oxford Brookes University(UK), Masters of Business Administration with specialism in Strategic Planning from Heriot-Watt University(UK), Chartered Certified Accountant(ACCA), Certified Information System Auditor(CISA) from Strathmore University and Information Systems Control Association(ISACA), Certified Executive Leadership Coach-International Coaching Federation. Appointed to the Board of Mathioya Technical and Vocational College on January 29, 2018. Previously worked with Price Water Coopers as an Associate/Senior Associate, Manager, Senior Manager and an Associate Director in Kenya and in Rwanda. Currently serving as a Group Finance Director and strategy senior executive at Centum Investment Company. Age 40.



Catherine Priscillah Nyambura Ndungo
Non-Executive Board of Governors

Miss. Ndungo, born in 1994, holds a Bachelor's Degree in Law from the University of Nairobi, Certified Public Secretary from Vision Institute of Professionals, Certified Public Accountant(CPA K), International Computer Driving License- Institute of Advanced Technology. She has worked with various organizations which includes Wanyoike Waikenya Advocates, Mavoko Law Courts, National Environment Management Authority(NEMA), Kenya Wildlife Service and Muri Mwaniki & Wamiti Advocates. She has also participated in various conferences including international ones. Appointed to the Board of Mathioya Technical and Vocational College in January 29, 2018. Currently working at Muri Mwaniki & Wamiti Advocates. Age 26.

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Oscar Manzi Ngotho
Non-Executive Board of Governor

Mr. Ngotho, born in 1982, holds a Bachelor's degree in Business Management (Finance and Banking Option) from Moi University, Master's degree in Business Administration (Finance and Banking Option) from the University of Nairobi, Kenya Accounting Technician Certificate from Vision Institute of Professionals, Certified Public Accountant (CPA K) and CPS-K. Currently pursuing a Master's degree in Business Administration (Finance and Banking) from the University of Nairobi. He has vast experience with Office Work, Taxation, Consultancy and Advisory Services, Accounting and Audit work. He participated in Kenya Railways Corporation Scrap metal disposal project, participated in Muema & Associates Clients Tax Seminar at KICC. Previously worked with Muema & Associates (CPA-K) as Audit Manager/Tax Consultant. Appointed to the Board of Mathioya Technical and Vocational College in January 29, 2018. Currently working with O.M. Ngotho & Associates. Age 38.



Rajab Ali Iha
Non-Executive Board of Governor







Mr. Rajab Iha, born in 1992, holds a Bachelor's degree of Science Information Technology from Jomo Kenyatta University of Agriculture and Technology (IT). He has enormous experience in technology having worked with various organizations which includes Jomo Kenyatta University of Agriculture and Technology where he was an IT technician and a System Developer, Base Titanium Ltd (Kwale) and Matuga Technical and Business Training Centre. He has obtained various awards including Certificate of Course Completion in Managing New Employees Recruit-Africa Management Initiative (AMI), Certificate of Completion in Team Communication: Getting the message across (Africa Management Initiative AMI), Certificate of Participation in Inter-University Mining Writing Competition, Certificate in Android Application Development, Certificate in First Aid Training (Kenya Red Cross). He has also attended various

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forums which includes Team Building Committee meetings Samasource Kenya Ltd(Nairobi), Official opening of Kwale website portal for open governance, accountability and transparency meeting(Lungalunga), among many others. Appointed to the Board of Mathioya Technical and Vocational College on January 29, 2018. Currently working at Samasource Kenya Ltd(Nairobi) as the team lead. Age 28.

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MANAGEMENT TEAM

passport-size photo	Name, and key profession /academic qualifications	main area of responsibility
	Jackson Mbae Chief Principal/Secretary of the board Bachelor's Degree In Education (science) and masters in theology	CEO/College accounting officer
	Patrick Mitobio Mwangi ag. Deputy Principal	Deputise the principal in administration In charge of academic management and curriculum implementation
	Priscilla Watiri Wanjohi	Finance Officer
	Fiona Njoki	Procurement Officer
	Alexander Kagure	HoD-Electrical
	Jane Kanini	HoD- Automotive
	Geoffrey Kamau	HoD- Computer studies

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CHAIRMAN'S STATEMENT

I am pleased to present the annual report and financial statement of Mathioya Technical & vocational college institute for the year ended 30th June 2019.

The demand for TVET programmes in the country has continued to rise prompting the institution to continually introduce academic programme that respond to the demand of the market. The objective of the board is to position the MTVC main programmes within the context of the market requirements, cost rationalisation, equity and customer satisfaction.

During the financial period, key achievements were realized, these are

- Increased student's enrolment
- Substantial physical infrastructure
- Establish and Strengthened collaboration and liaison with key local industries where the college can attach its trainees.
- Established collaboration with the sister institutions.
- Established public private partnership to address the shortage of accommodation spaces for the increased population growth.
- Participated in various KATTI activities at both the regional and national levels.

During this financial year, financial commitment was geared towards developing, approving implementation of the first college strategic plan which sets out the process of putting up various structures suited to give support to academic programmes being the core function of the institution.

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

- Growth in student's numbers,
- Competitive recruitment of staff both trainers and other support staff.
- Development of the infrastructures to support academic programmes.
- Development of various physical infrastructures like roof water harvesting system and water storage tank

The college received operation grants, HELB loans /bursary and GoK capitation for the college trainees'. These funding has enabled the college acquire equipment that will make it go –a-long way in ensuring that trainees are equipped with relevant skills therefore increasing their marketability.

The college has witnessed significant growth of the institute assets that has promoted a good training environment for both trainers and trainees. In this regard, I wish to thank the members of the board who have provided useful insight to the college management making it possible to collectively make progress. The board remains committed to building on the foundation laid down so far and will work closely with the MTVC top management team in order to realise further development. The board is pleased with efforts of the MTVC key management personnel to ensure prudent management of resources.

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

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


Eva Njeri Mwenja

Chair of the Board of Governor's

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II. REPORT OF THE PRINCIPAL

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

The college started the year with the cash and cash equivalents of **kshs. 2,157,965.00** during the financial year 2018/2019, the college generated **kshs. 3,668,958.00** in A- in – A vide students' tuition and other fees. Also received **kshs. 2,340,644.00** governments of Kenya recurrent grants, and **kshs. 2,820,000.00** for the college trainees' capitation

The institution aims at diversification of revenue streams through and by initiating the following measures;

- a. Lobby for more financial support from government to finance in the development of the proposed projects.
- b. Aggressive marketing of the college programme to increase trainee's enrolment
- c. Establishing income generating activities and strengthening the existing ones
- d. Collaborate with industries agencies for innovations funding
- e. Soliciting for grants, donations and sponsorship

The population by 30th June 2019 was 132 students from 60 at the beginning of the financial year which represent over 100% growth.

The institution carried out an analysis of the internal and external environment using (SWOT) and (PESTEL) analysis. This provides an implementation road map to monitor and evaluate mobilisation of the resources generated to realise the institute core mandate. The college mandate is derived from the TVET ACT of 2012 which outlines the objectives towards promoting TVET education and training in Kenya.

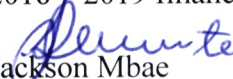
The institution also carried out key stakeholders' analysis that identifies the changing needs to ensure cooperation and support in the achievement of her mission.

During the financial year under review, the institution embarked on establishing a number of academic programmes, diploma and certificate courses in automotive, computer studies, business management, electrical and electronics and hair dressing & beauty therapy. This is after college embarked on an intensive marketing programme aimed at enhancing its visibility and increasing students' enrolment.

On behalf of the management and staffs of MTVC, i take this opportunity to thank the Board of the Governors for the support accorded to the key management and for its visionary direction in development of the college.

I appreciate the support from the GoK through -out the year under review though we appeal for more support especially for the purpose of establishing suitable facilities required towards becoming the TVET of choice for trainers in Kenya and beyond.

I thank all the staffs and trainees of MTVC for their continued cooperation in this challenging but noble task of building the college and I look forward to the same cooperation and enthusiastic participation in 2018 + 2019 financial year.


Jackson Mbae

Chief Principal/Secretary of the board

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REVIEW OF MATHIOYA TECHNICAL & VOCATIONAL COLLEGE 'S PERFORMANCE FOR FY 2018/2019

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

Mathioya TVC has eight strategic pillars and objectives within its Strategic Plan for the FY 2018/2019-2022/2023. These strategic pillars are as follows:

Pillar 1: Access and Equity

Pillar 2: Institutional Corporate Governance/Management

Pillar 3: Ict (Equipment and Technology)

Pillar 4: Research and Innovation

Pillar 5: Financial resources

Pillar 6: Publicity of the College

Pillar 7: Collaboration and Linkages

Pillar 8: Infrastructure Development

Mathioya TVC develops its annual work plans based on the above eight pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2018/2019 period for its eight strategic pillars, as indicated in the diagram below:

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Pillar no	Strategic issues	Strategic Objective	Key Performance Indicators	Activities	Achievements
1:	access and equity	to enhance access and equity to quality TVET training	No. of students enrolled No. of programmes launched	Design flexible and blended learning programmes	Increased enrolment from 60 to 132 trainees hair & design course started
2:	Institutional ,Corporate Governance /Management	Improve Institutional corporate governance/Management	Organisational structure, HIV/Aids, Drug and substance Abuse, Safety measures, Gender mainstreaming, Disability Mainstreaming Affirmation policies	Establish institutional policies, strategies and programmes that are responsive to effective governance and management of TVET	Number of policies in place- all the policies were developed
3:	ICT	Promote effective application of ICT	e-books acquired and utilized	Acquisition of e-books	Number of e-books acquired and in use
4:	Research and Innovation	Create forums for sensitization of staff and students -Develop a reward system for innovations	Institutionalize research and development	Participate in TVET Fairs	number of fairs participated on, regional, national
5:	financial resources	Enhance fees collection	To improve the financial position of the college	Control systems established and implemented	Enhanced fees collection and more cash
6:	Human Resource	Liaise with the PSC for meeting gaps in teaching and support staff	-10 trainers engaged	-Teaching staffing gaps addressed	6 staffs hired by the PSC
7:	collaboration and linkages	Review and strengthen existing frameworks for collaborations and linkages in TVET	Mechanisms for benchmarking and joint cooperation in TVET developed and implemented	Number of mechanisms	Number of mechanisms
8:	Infrastructure improvement	To provide adequate infrastructure for quality service delivery	Increased capacity for quality service delivery	- Develop infrastructure plans and designs - Source for funding	Improved service delivery

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CORPORATE GOVERNANCE STATEMENT

During the year under review, the board held five meetings. Four as scheduled with each meeting per quarter and a special one held on 30th may 2019 to approve staff recruitment. All the meetings had quorum and no member missed two consecutive meetings.

The term of the current board will end on March 2021 and the plans are already under way to start process of identifying members who can be appointed or re-appointing the current members.

As outlined from the TVET Act 2013, section 28(1) the roles, functions, and performance of the board during the year is as follows;

(a) Overseeing the conduct of education and training in the institution in accordance with the provisions of this Act and any other written law;

The Board has been able to monitor the manner in which the college is managed or directed through the regular quarterly meetings -100%.

(b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;

Through the management, the board have acquired right syllabuses and mounted market driven courses and made sure real training takes place through supervision-100%

(c) Administering and managing the property of the institutions;

The board have been able to provide security and regular maintenance of all the equipment and vehicles- 100%

(d) Developing and implementing the institutions' strategic plan;

The board developed launched a strategic plan which is currently being implemented-100%

(e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;

The board have prepared annual budget but execution has not been fully done due to non-remittance of development funds already budgeted.

(f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;

This has been achieved – 100%, the college has a functional finance department to collect and receipt all the monies received.

(g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;

The board performed this function – 100, though the government come up with a standard fees structure for all the TVET Institutions.

(h) Mobilizing resources for the institutions;

- The college have been able to collect fees from parents.
- Sourced for more funding from NG-CDF and
- Written proposals to organizations and government departments requesting for funding.

(h) Developing and reviewing programs for training and to make representations thereon to the TVET Authority;

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The board have approved new courses as guided by the ministry of education.

(i) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
this was achieved 100%- all the students who applied were admitted.

(k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;

- The college is a member of KATTI and CAPA
- The college receive students from KUCCPS
- Principals visit industries annually to get the views of the stakeholders.

(k) Recruiting and appointing trainers from among qualified professionals and practicing trades persons in relevant sectors of industry;

All the recruitments so far carried out by following recruitment procedures.

(m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;

- Our wages are within the set standards of the county but
- we need to develop a scheme of service

(n) Making regulations governing organization, conduct and discipline of the staff and students; this has been achieved -100%. We have developed and implemented rules and regulations

(o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board;

(p) Providing for the welfare of the students and staff of the institutions;

The board have improved the college learning environment by;

- Acquired more equipment for training
- Repaired washrooms

(q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; The board have;

- Established G&C department
- Students have their elected leadership
- The management hold regular meeting with the students and staff

(r) Discharging all other functions conferred upon it by this Act or any other written law

The board has promptly acted upon all the communications received from within and outside the college.

The board was well remunerated as they received their full allowances during all the meetings

MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE
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MANAGEMENT DISCUSSION AND ANALYSIS

The college has performed well during last financial year. We were able to maintain discipline of both staff and students and made sure that training went on well. This can be attested by the good final examination results received during the year where the college posted 78% pass overall. The college also performed well financially. We were able to accomplish all financial decisions made. All the statutory deductions were remitted on time, this included; NHIF, NSSF and PAYE

The college ended the year with no outstanding bills.

The main risks facing the college are financial- due to poor fees payment by the trainees, reduced government grant and no development funds. The funding received from capitation is all going to recurrent expenditure leaving almost nothing to developments. Since the college is only two years old, it requires a lot of financial support to put up more infrastructures to be able to admit more students. We have no office space, ablution block, and lecture rooms hence the college existence is at great risk.

MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE
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CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

Innovation and technology- the college has put a lot of Effort in sustainability related R&D in order to reduce environmental impacts in new products and in business activities of training. The college uses BAT (best available techniques) and integrated environmental technologies, we concentrate on cleaner production and zero-emission technologies.

Collaboration – the college maintained a Good cooperation and active collaboration with various business partners which included suppliers, R&D institutions, universities and TVET institutions working in common programmes and networks on innovative products and technologies. Exchange of information and knowledge through tivet fair.

Knowledge management – the college have planned, developed, organized, maintained, transferred, applied and measured specific knowledge and to improve the organizational knowledge base.

Processes- Clear processes and roles are defined so that college activities are efficiently conducted and that every employee knows what the college management expects from him or her.

Purchase- the college had a good Relationship with suppliers focusing also on sustainability.

Sustainability reporting – the college maintained Considerable reporting of sustainability issues within the board meeting reports.

2. Environmental performance

This dimension deals with environmental impacts due to corporate activities. These environmental impacts are caused by resource use and emissions into air, water, ground and hazardous waste.

This dimension is mainly measured by impacts, but within corporate sustainability strategies the focus has to be laid on the effects causing these impacts, e.g., the higher the maturity levels are the more it has to be concentrated on causes rather than on effects.

Emissions into the air- Emissions into the air due to corporate activities the college does not emit any pollution to air as we are training and not manufacturing.

Emissions into the water - Emissions into the water due to corporate activities -non

Emissions into the ground - Emissions into the ground due to corporate activities- non

Waste and hazardous waste- Waste and hazardous waste due to corporate activities- non

Biodiversity Impact on biodiversity due to corporate activities

Environmental issues of the product Environmental aspects of the product over the whole life cycle

3. Employee welfare

Corporate governance- Transparency in all its activities in order to ameliorate relationship towards its stakeholders. During the financial year, the college recruited staff using the laid down recruitment procedures. This was done through the guidance of public service commission who Give insight into all relevant data; following rules of on recruitment of the corporate governance and defining responsibilities and behavior of the board.

Staff Motivation and incentives – this is an Active involvement and exemplary function of management on sustainability of all the Employees Being Aware of their needs, claims and motivation factors of employees in order to implement sustainability sufficiency into the organization due to support of

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management for acting in sustainable way (e.g. time, money, resources). The management Developed and implemented incentives and reward systems (monetary and non-monetary).

Health and safety – the college Guarantee that no health and safety risks occur when working in/for the college. No negative impact of employees' physical health at any time was reported. The college has Operation of programmes for employees to prevent dangers and to stay generally fit and healthy.

Human capital development - Development of human capital for sustainability related issues through specific programmes is key to any organization. The college has sponsored staff to various seminars and workshops and also allowed others join holiday classes. The college has also encouraged Broad cross-working education (job enrichment, job enlargement) for staff in order to become aware of the different challenges and issues of corporate sustainability

4. Market place practices- The organisation should outline its efforts to:

- a) Responsible competition practice.
The college practices responsible competition by following normal procedure of marketing. The college has developed an anti-corruption policy and non-political adherence
- b) Responsible Supply chain and supplier relations-
The college has list of suppliers who were prequalified through advertisement. The policy of the college is to pay all the bills at the end of every month and this has created a good rapport with her suppliers and service providers
- c) Responsible marketing and advertisement
The college carries out normal marketing through media and organized talks.
- d) Product stewardship.
Trainees trained in Mathioya Technical and Vocational College are competently prepared emotionally, intellectually and spiritually. They are equipped with Hands on Skills and Technology to make a difference in this generation and generations to come. The Mathioya Technical and Vocational College is committed to offering the best and top quality training.

5. Community Engagements-

The college did not have much on corporate social responsibilities because it is only three years old and still struggling financially and relying 100% on government funding. But in the year under review, we had organised a career talk for all the school leaver within Mathioya sub-county. We also retrained mechanics operating within kiria-ini town using modern technology

MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE
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REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the college affairs.

Principal activities

The principal activities of the college is to offer technical & vocational training.

Results

The results of the college for the year ended June 30, 2019 are set out on page 1 - 5

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page vii - xi. During the year 2018/2019 board member who retired or resigned.

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



Jackson Mbae
Principal/sec BoG
Mathioya Technical & Vocational College

Date: 16/4/2024

MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE
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STATEMENT OF BOARD OF GOVERNORS MEMBERS' 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 of that college, which give a true and fair view of the state of affairs of the college at the end of the financial year/period and the operating results of the college for that year/period. The board members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The board members are also responsible for safeguarding the assets of the college.


The board members are responsible for the preparation and presentation of the college financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (period) ended on June 30, 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 members accept responsibility for the college financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The board members are of the opinion that the college financial statements give a true and fair view of the state of college transactions during the financial year ended June 30, 2019, and of the college financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college financial statements as well as the adequacy of the systems of internal financial control.

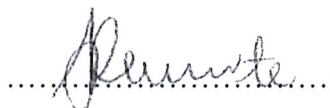
Nothing has come to the attention of the board members to indicate that the college will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The college financial statements were approved by the Board on 16/4/201 and signed on its behalf by:


.....

Chairperson of the Board


.....

Accounting officer/Principal

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mathioya Technical and Vocational College set out on pages 1 to 19, which comprise of the statement of financial position as at 30 June, 2019, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects 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 the Mathioya Technical and Vocational College as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical Training Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Property Plant and Equipment

The statement of financial position as at 30 June, 2019 reflects property, plant and equipment balance of Kshs.165,902,947 which as disclosed under Note 17 to the financial statements, comprise of building of Kshs.51,764,210, motor vehicles of Kshs.1,400,000, furniture and fitting Kshs.1,606,150, computers Kshs.3,202,999 and plant and equipment of Kshs.107,929,588. A review of records provided for audit verification however revealed the following:

- i. Value of parcels of land including parcel No. LOC 14/ Gakurwe /982 granted to the College by Muranga County government measuring approximately 5 acres were not determined and included in the financial statements. Further, no ownership

documents were presented to confirm the ownership of the land on which Mathioya Technical and Vocational College occupies.

- ii. The net book values of motor vehicles and plant and equipment of Kshs.1,400,000 and Kshs.107,929,587 respectively are in relation to motor vehicle registration number GKB 541 U and Automotive training equipment granted to the College by the National Government of Kenya and recorded in the fixed assets register at initial cost of Kshs.1,600,000 and Kshs.123,348,100, net of accumulated depreciation of Kshs.200,000 and Kshs.15,418,512 respectively. According to letter Ref: MOE/DTE/6/5/1 VOL.XII (94) dated 23 February, 2021 from the Ministry of Education, the cost of motor vehicles and automotive equipment assets to the College were part of consignment from China at a total contract sum US Dollars 1,233,481 for equipping 144 TVET Institutions in the country. However, detailed analysis of the equipment, unit cost and quantity received was not provided for audit review.

As a result, the basis upon which the book values and provision for depreciation were determined and included in the financial statements could not be ascertained.

2. Unconfirmed Board Allowances

The statement of financial performance for the year ended 30 June, 2019 reflects remuneration of directors (board allowances) of Kshs.461,000 whereas the supporting schedules and payment vouchers presented for audit review total Kshs.673,200 resulting in an unexplained variance of Kshs.212,200.

In the circumstances, the accuracy and completeness of board expenses balance of Kshs.461,000 for the year ended 30 June, 2019 could not be confirmed.

3. Rendering of Services-Fees from Students

The statement of receipts and payments reflects rendering of services - fees from students, under revenue from exchange transactions totalling to Kshs.3,047,958. Scrutiny of revenue records revealed that grants from donors - HELB totalling Kshs.603,000 received in the year under review was however, omitted from the schedule of receipts. No explanation was provided for the omission which understated the revenue.

Consequently, the accuracy and completeness of rendering of services balance totaling Kshs.3,047,958 for the year ended 30 June, 2019 could not be confirmed.

4. Variances Between the Approved Budget and Amounts Reported in Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts for the year ended 30 June, 2019 reflects a revenue budget of Kshs.11,681,500 which is at variance with the approved budget figure of Kshs.12,258,000 resulting in a difference of Kshs.576,500. Further, a scrutiny of the approved budget submitted for audit revealed variances of Kshs.1,456,570 on four expenditure items without the necessary approvals as follows:

Items	Final Approved Budget Amount Kshs.	Notes to the Budget Amount Kshs.	Difference Kshs.
P.E BOG Teaching Staff	1,080,000	1,440,000	(360,000)
School Equipment and Stores	0	531,870	(531,870)
Advertisement	1,464,300	1,500,000	(35,700)
Facilitation (Training/Workshop)	671,000	1,200,000	(529,000)
Total	3,215,300	4,671,870	(1,456,570)

Although Management indicated that the variances were reconciled, the accuracy and completeness of the approved budget figures for the year ended 30 June, 2019 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mathioya 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 qualified 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in 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

Non-Compliance with Ethnic Diversity Requirement

A review of the human resource records indicates that the College had twelve (12) staff members as at 30 June, 2019, out of which 11 staff members or 92% were from the dominant ethnic community. This was contrary to the provisions of Section 7(1) and (2) of National Cohesion and Integration Act, 2008 which requires that in selecting candidates for appointment, all public establishments shall seek to represent the diversity of the

people of Kenya and no public establishment shall have more than one third (33%) of its staff from the same ethnic community.

The Management was therefore in breach of the law.

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, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Internal Audit Function

During the year under review, Mathioya Technical and Vocational College had not established an internal audit function contrary to Section 73(1) of the Public Finance Management Act, 2012. As a result, the Technical College lacks internal structures which could provide advice and assurance to the management regarding systems of internal control and risk management.

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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 and for its assessment of the effectiveness of internal control, risk Management and overall governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to sustain services, disclosing, as applicable, matters related to

sustainability of services and using the going concern basis of accounting unless Management is aware of the intention to terminate the College or to cease operations.

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

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

Those charged with governance are responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 overall 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 continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain 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 the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 December, 2021

**MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE
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IV STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2019

	Notes	2018-2019
		Kshs
Revenue from non-exchange transactions		
GOK Grants	5	2,340,644.00
GOK Capitations	6	2,820,000.00
Total Revenue from non-exchange transactions		5,160,644.00
Revenue from exchange transactions		
Rendering of services- Fees from students	7	3,047,958.00
Other Income	8	621,000.00
Total Revenue from exchange transactions		3,668,958.00
Total revenue		8,829,602.00
Expenses		
Goods and Services	9	4,478,402.00
Employee costs	10	1,374,932.00
Remuneration of directors	11	461,000.00
Depreciation expense	12	18,277,089.00
Repairs and maintenance	13	77,020.00
Total expenses		24,668,443.00
Net deficit for the year		-15,838,841.00

The notes set out on pages' 6 to 22 form an integral part of the Annual Financial Statements.

**MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE
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V.STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2019.

	Notes	2018-2019
		Kshs
Assets		
Current assets		
Cash and cash equivalents	14	2,461,442.00
Receivables from non exchange transactions	15	1,750,644.00
Receivables from exchange transactions	16	512,938.00
Total Non-current assets		<u>4,725,024.00</u>
current assets		
Property, plant and equipment	17	165,902,947.00
Total current assets		<u>165,902,947.00</u>
Total assets		<u>170,627,971.00</u>
Liabilities		
Current liabilities		
payables from exchange transactions	18	128,811.00
Total liabilities		<u>128,811.00</u>
Net assets		<u>170,499,160.00</u>
Accumulated loss		-13,680,876.00
Capital Fund		184,180,036.00
Total net assets and liabilities		<u>170,499,160.00</u>

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

Chairman of Board/Board of Governors

Date 16/4/2021

Finance Officer

ICPAK No

Date

Principal

Date 16/4/2021

**MAITHIYA TECHNICAL AND VOCATIONAL COLLEGE
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VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE, 2019

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
Balance b/f at July 1, 2018					
Revaluation of assets					
Fair value adjustment on quoted investments					
Total comprehensive gain			2,157,964.00		2,157,964.00
Capital/Development grants received during the year					
Transfer of depreciation/amortization from capital fund to retained earnings					
Balance c/d as at June 30, 2019			<u>2,157,964.00</u>		<u>2,157,964.00</u>
Balance b/f as at July 1, 2019		-	<u>2,157,964.00</u>		<u>2,157,964.00</u>
Assets initially expensed				184,180,036.00	184,180,036.00
Total comprehensive loss			-15,838,840.00		-15,838,840.00
Capital/Development grants received during the year					
Transfer of depreciation from capital fund to retained earnings					
Balance c/d as at June 30, 2019		-	<u>-13,680,876.00</u>	<u>184,180,036.00</u>	<u>170,499,160.00</u>

**MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE
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VII.STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2018-2019
		Kshs
Cash flows from operating activities		
Receipts		
GOK Grants	5	2,340,644.00
GOK Capitations	6	2,820,000.00
Rendering of services- Fees from students	7	3,047,958.00
Other Income	8	621,000.00
Total receipts		8,829,602.00
Payments		
Goods and Services	9	4,478,402.00
Employee costs	10	1,374,932.00
Remuneration of directors	11	461,000.00
Depreciation expense	12	18,277,089.00
Repairs and maintenance	13	77,020.00
Total expenses		24,668,443.00
Net deficit for the year		-15,838,841.00
Net cash flows from operating activities	19	303,477.00
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets		0.00
Net cash flows used in investing activities		0.00
Net cash flows used in financing activities		0.00
Net increase in cash and cash equivalents		303,477.00
Cash and cash equivalents at 1 JULY 2018		2,157,965.00
Cash and cash equivalents at 30 JUNE 2019	14	2,461,442.00

**MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE
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VIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE, 2019

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Performance difference %	Note No
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019	
Receipts							
GoK grants	8,000,000.00	0.00	8,000,000.00	2,340,644.00	5,659,356.00	71	
Government capitations	0.00	0.00	0.00	2,820,000.00	-2,820,000.00	-100	1
Rendering of services	3,681,500.00	0.00	3,681,500.00	3,047,958.00	633,542.00	17	2
Other income	0.00	0.00	0.00	621,000.00	- 621,000.00	-100	3
Total revenue	11,681,500.00	0.00	11,681,500.00	8,829,602.00			
Payments							
Goods and Services	7,858,500.00	0.00	7,858,500.00	4,478,402.00	3,380,098.00	43	4
Employee costs	2,523,000.00	0.00	2,523,000.00	1,374,932.00	1,148,068.00	46	5
Remuneration of directors	800,000.00	0.00	800,000.00	461,000.00	339,000.00	42	6
Depreciation and amortization expense	0.00	0.00	0.00	18,277,089.00	- 18,277,089.00	-100	7
Repairs and maintenance	500,000.00	0.00	500,000.00	77,020.00	422,980.00	85	8
Total expenses	11,681,500.00		11,681,500.00	24,668,443.00			
Surplus /deficit for the period				-15,838,841.00			

Note 1 & 2

The college comprehensive revenue included fees and capitation for 94 students instead of 132 as budgeted hence the shortfall

Note 3: The College initiated income generating projects within the year which generated kshs. 621,000.00

Note 4, 5, 6, 7, 8: The college under performed in the funding of the expenditure budget due to the sluggish population growth.

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IX. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Mathioya Technical & Vocational College is established by and derives its authority and accountability from TVET Act of 2013. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The college principal activity is technical & vocational.

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. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the college accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements

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 have been adopted for the first time in the 2018/2019 financial year.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard is not applicable to the college

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: To be applied when preparing the 2021-2022 financial reports
IPSAS 42: Social Benefits	Applicable: 1st January 2022 To be applied when preparing the 2021-2022 financial reports
Amendments to	Applicable: 1st January 2022:

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Standard	Effective date and impact:
Other IPSAS resulting from IPSAS 41, Financial Instruments	To be applied when preparing the 2021-2022 financial reports
Other Improvements to IPSAS	To be applied when preparing the 2020-2022 financial reports

iii. Early adoption of standards

The college did not early – adopt any new or amended standards in year 2019.

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The college recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to the courses offered and the length of the academic programme.

b) Budget information

The original budget for FY 2018/2019 was approved by the Board or Board in May, 2018. There was no Subsequent revisions or additional appropriations made to the approved budget

The college budget is prepared on the same basis to the actual income and expenditure. 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.

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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 actual as per the statement of financial performance has been presented under section v of these financial statements.

c) Taxes

Current income tax

The college is exempt from paying taxes as per income tax Act.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over years.

e) Property, plant and equipment

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

f) *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.

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i) 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.

j) Nature and purpose of reserves

The College has not created any reserves

k) 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.

l) Employee benefits

Retirement benefit plans

The College does not provide retirement benefits for its employees and directors.

m) 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 BoG, the principal and top management.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Comparative figures

This is the first time the college is reporting as per the IPSAS standard hence no comparative figures for the previous financial year

p) 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, 2019.

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**4 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION
UNCERTAINTY**

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

Estimates and assumptions

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

Useful lives and residual values

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

- The 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 17

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

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5 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES – GRANTS

Description	2018-2019
	KShs
Unconditional grants	
Operational grant	2,340,644.00
Total government grants and subsidies	2,340,644.00

6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES- CAPITATION

Description	2018-2019
	KShs
Unconditional grants	
Gok capitation	2,820,000.00
Total government grants and subsidies	2,820,000.00

6(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the ministry /agencies sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year
			KShs	KShs
MoE (Operation grants)	2,340,644.00			2,340,644.00
MoE KUCCPS (capitation)	2,820,000.00			2,820,000.00
Total	5,160,644.00			5,160,644.00

7 RENDERING OF SERVICES

Description	2018-2019
	KShs
Tuition	565,938.00
Personal Emoluments	580,904.00
Local Transport Travelling	161,931.00
Electricity Water & Conservancy	168,680.00
Repair Maintenance & Improvements	98,678.00
Activity	141,808.00
Administration	869,956.00
Computer Maintenance Fees	11,000.00
Student Fee	3,800.00
Development Fees	6,000.00
Material Fees	33,000.00
College Identity Cards	3,100.00
Attachment Fees	148,147.00
Kenya National Examination Council	255,016.00
Total revenue from the rendering of services	3,047,958.00

(Fees collected from the college trainees)

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8 OTHER INCOME

Description	2018-2019
	KShs
Computer Studies	84,500.00
Production Unit	536,500.00
Total revenue from other income	621,000.00

8 USE OF GOODS AND SERVICES

Description	2018-2019
	KShs
Administration Expenses	817,461.00
Local Transport & Travelling Expenses	905,700.00
Electricity Water & Conservancy	10,131.00
National Industrial Training Authority Exams	70,000.00
Student Identity Cards Expenses	20,200.00
Production Units Expenses	278,200.00
Activity	577,620.00
Kenya National Examination Council	299,200.00
Medical Expenses	12,926.00
Fees Refund	4,000.00
Kenya Association Of Technical Training Institutions	30,000.00
Bank Charges	4,220.00
Training Expenses	1,448,744.00
Total good and services	4,478,402.00

9 EMPLOYEE COSTS

Description	2018-2019
	KShs
National Social Security Fund	16,000.00
National Hospital Insurance Fund	24,000.00
Pay As You Earn	14,534.00
Salary & wages	1,320,398.00
Total Employees Costs	1,374,932.00

10 REMUNERATION OF DIRECTORS

Description	2018-2019
	KShs
Directors Emoluments	461,000.00
Total Director Emoluments	461,000.00

11 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2018-2019
	KShs
Property, plant and equipment	18,277,089.00
Total depreciation and amortization	18,227,089.00

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13 REPAIRS AND MAINTENANCE

Description	2018-2019
	KShs
General repairs	77,020.00
Total repairs and maintenance	77,020.00

14 CASH AND CASH EQUIVALENTS

Description	2018-2019
	KShs
Cash at hand	0.00
Current account	2,461,442.00
Total cash and cash equivalents	2,461,442.00

14 (b). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2018-2019
		KShs
a) Current account		
Kenya Commercial bank	1222518767	2,461,442.00
Sub- total		2,461,442.00
b) Others(specify)		
cash in hand		0.00
Sub- total		0.00
Grand total		2,461,442.00

15 RECEIVABLES FROM NON EXCHANGE TRANSACTIONS

Description	2018-2019
	KShs
Current receivables	
Capitation	1,410,000.00
Grants	340,644.00
	1,750,644.00

16 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019
	KShs
Current receivables	
Fees arrears	512,938.00
Total receivables	512,938.00

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17 PROPERTY, PLANT AND EQUIPMENT

Cost	Land		Building		Motor vehicles		Furniture and fittings		Computers		Plant and equipment		Total	
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers/adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 30th June 2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additions	0.00	<u>52,820,623.00</u>	0.00	<u>1,600,000.00</u>	0.00	<u>1,835,600.00</u>	0.00	<u>4,575,713.00</u>	0.00	<u>123,348,100.00</u>	0.00	<u>184,180,036.00</u>	0.00	<u>184,180,036.00</u>
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer/adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 30th June 2019	0.00	<u>52,820,623.00</u>	0.00	<u>1,600,000.00</u>	0.00	<u>1,835,600.00</u>	0.00	<u>4,575,713.00</u>	0.00	<u>123,348,100.00</u>	0.00	<u>184,180,036.00</u>	0.00	<u>184,180,036.00</u>
Depreciation and impairment														
At 1 July 2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 30 June 2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	0.00	1,056,412.46	0.00	200,000.00	0.00	229,450.00	0.00	1,372,714.00	0.00	15,418,512.50	0.00	18,277,089.96	0.00	18,277,089.96
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer/adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 30th June 2019	0.00	<u>1,056,412.46</u>	0.00	<u>200,000.00</u>	0.00	<u>229,450.00</u>	0.00	<u>1,372,714.00</u>	0.00	<u>15,418,512.50</u>	0.00	<u>18,277,088.96</u>	0.00	<u>18,277,088.96</u>
Net book values														
At 30 th June 2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 30 th June 2019	0.00	<u>51,764,210.54</u>	0.00	<u>1,400,000.00</u>	0.00	<u>1,606,150.00</u>	0.00	<u>3,202,999.00</u>	0.00	<u>107,929,587.50</u>	0.00	<u>165,902,947.00</u>	0.00	<u>165,902,947.00</u>

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18 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019
	KShs
Fees paid in advance	14,862.00
Undistributed HELB loan/bursary	35,000.00
Undistributed bursary	78,949.00
Total trade and other payables	128,811.00

19 CASH GENERATED FROM OPERATIONS

	2018-2019
	KShs
Surplus for the year before tax	-15,838,841.00
Adjusted for:	
Depreciation	18,277,089.00
Working Capital adjustments	
(less) Increase in receivables	(2,263,582.00)
(add) Increase in payables	128,811.00
Net cash flow from operating activities	303,477.00

20 DEPRECIATING RATES OF PLANT PROPERTIES & EQUIPMENT

	2018-2019
	KShs
Land	0%
Building	2%
Motor vehicles (part of automotive training facilities)	12.5%
Plant & equipment((part of automotive training facilities)	12.5%
Furniture & fittings	12.5%
Computers	30%

4 FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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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 carrying amount of financial assets recorded in the financial statements representing the college 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	Impaired Kshs
At 30 June 2018				
Receivables from exchange transactions	0.00	0.00		
Receivables from non exchange transactions	0.00	0.00		
Bank balances	0.00	0.00		
Total	0.00	0.00		
At 30 June 2019				
Receivables from exchange transactions	512,938.00	512,938.00		
Receivables from non exchange transactions	1,750,644.00	1,750,644.00		
Bank balances	2,461,442.00	2,461,442.00		
Total	4,725,024.00	4,725,024.00		

The customers under the fully performing category are paying their debts as they continue trading.

The college has significant concentration of credit risk on amounts due from 2019

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 college board of governors, who have built an appropriate liquidity risk management framework for the management of the college short, medium and long-term funding and liquidity management requirements. The college manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
At 30 June 2018				
Trade payables		0.00		0.00
Total		0.00		0.00

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At 30 June 2019			
Trade payables		128,811.00	128,811.00
Total		128,811.00	128,811.00

(iii) Market risk

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

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

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

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

a) **Interest rate risk**

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

Management of interest rate risk

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

iv) Capital Risk Management

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

	2018-2019
	Kshs
Accumulated loss	-13,680,876.00
Capital reserve	184,180,036.00
Total funds	170,499,160.00
Total borrowings	0
Less: cash and bank balances	2,461,442.00
Net debt/(excess cash and cash equivalents)	2,461,442.00
Gearing	1.44%

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5 RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry; ministry of education
- iii) Mathioya CDF
- iv) Local community
- v) Muranga County Government
- vi) College Top management and trainers;
- vii) Board of Governors;
- viii) College trainees, sponsors and guardians.

	2018-2019
	Kshs
Transactions with related parties	
a) Grants from the Government	
Grants from National Govt	5,160,644.00
Bursary from Mathioya CDF	532,089.00
Total	5,692,733.00
b) Key management compensation	
Directors' emoluments	461,000.00
Total	461,000.00
Total	6,153,733.00

6 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

College has no any contingent liabilities

7 EVENTS AFTER THE REPORTING PERIOD

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

8 ULTIMATE AND HOLDING COLLEGE

The college is a under the Ministry of education. Its ultimate parent is the Government of Kenya.

9 Currency

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

**MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE
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**III. APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR
RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your college responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Jackson Mbae

Principal/sec BoG

Date.....16/4/2021.....

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**IV. APPENDIX II: PROJECTS IMPLEMENTED BY THE
COLLEGE**

Projects

Projects implemented by the 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)
1	0.00	0.00	0.00	0.00	0.00	0.00
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

**MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE
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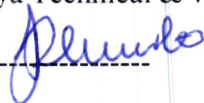
V. APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		Mathioya Technical & Vocational College		
Break down of Transfers from the State Department of Technical Education				
FY 18/19				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		15/10/2018	500,000.00	2018/2019 FY
		18/02/2019	500,000.00	2018/2019 FY
		27/6/2019	1,000,000.00	2018/2019 FY
		11/7/2019	340,644.30	2018/2019 FY
		Total	<u>2,340,644.00</u>	
b.	Capitation			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		18/02/2019	1,410,000.00	2018/2019 FY
		18/7/2019	1,410,000.00	2018/2019 FY
		Total	<u>2,820,000.00</u>	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	<u>5,160,644.00</u>	

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

Principal /sec BoG
Mathioya Technical & vocational college

Sign



Head of Accounting Unit
Ministry of education

Sign-----

**MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE
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VI. APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent /Development /Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Helb	13/5/2019	Bursary	35,000.00	35,000.00					35,000.00
Helb	30/4/2019	Bursary	552,000.00	552,000.00					552,000.00
Total			587,000.00	587,000.00					587,000.00