


# REPORT

 THE NATIONAL ASSEMBLY	
P/	D
DATE: 05 JUL 2023	DAY: Wednesday
TABLED BY:	Hon. Kimani Ichunguwa (leader of the Majority Party)
CLERK-AT THE TABLE:	Modo

PARLIAMENT  
OF KENYA  
LIBRARY

OF

**THE AUDITOR-GENERAL**

ON

**KAPCHEROP TECHNICAL  
AND VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2022**



**KAPCHEROP TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30<sup>TH</sup> JUNE 2022**



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

**KAPCHEROP TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

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**I. Key Entity Information and Management**

**(a) Background information**

The Kapcherop Technical and Vocational College was established under the Technical, Vocational, Education and Training TVET Act 2013 on 21 December 2016. The entity is domiciled in Kenya. The Kapcherop Technical and Vocational College is under the Ministry of Education.

**(b) Principal Activities**

The principal activity of Kapcherop Technical and Vocational College is found in its mission and Vision statement as below;

**Vision**

To be international leader in technical and vocational training.

**Mission**

To train competent manpower in Technical and Vocational Disciplines who are innovative in changing demands of industry and society

**Core Values**

Kapcherop Technical and Vocational College is an integral part of the society and the endeavours to exhibit high social and professional standards.

Core Values are fundamental values or ideas at the heart of Kapcherop Technical and Vocational College that lays the foundation on which the college operates.

Core Values shapes the culture and define the character of Kapcherop Technical and Vocational College.

The staff will conduct their duties in accordance with Teachers Service Code of Conduct and Ethics and endeavours to project a supportive corporate culture among its members.

Guided by our vision and mission we shall uphold the following values at all the times.

These core values are;

- (a) Responsiveness.
- (b) Accountability
- (c) Teamwork
- (d) Integrity
- (e) Transparency

**(c) Key Management**

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

- Board of Governors
- Principal
- Management Team

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**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	<b>Simion Cheplogoi</b>
2	Deputy principal Academics	<b>Paul Seurey</b>
3	Registrar (s)	<b>Samuel Laktabai</b>
4	Dean of students	<b>Issa Mabunde</b>
5	Head of Finance	<b>Gladys Kemboi</b>

**(e) Fiduciary Oversight Arrangements**

**BOARD OF GOVERNORS COMMITTEES**

Name of the Committee	Members
Audit and Risk management committee	1. Dr. Eliud Kipkoech Chelanga (Chairman) 2. Margret Murugi Mwangi (Member) 3. Zacharia k. Koech (Internal Auditor)
Academic, Human Resource & Welfare Committee	1. Rosemary Muvinya Muange (Chairlady) 2. Dr Hosea Kiplagat (Member) 3. Solomon Cheboi (Member) 4. Simion Cheplogoi (Secretary)
Finance and Infrastructure committee	1. Solomon Cheboi (Chairman) 2. Eng. Benjamin Mumia Wamukoya (Member) 3. Rosemary Muvinya Muange (Member) 4. Simion Cheplogoi (Secretary)

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**I. Key Entity Information and Management (Continued)**

**(f) Entity Headquarters**

Kapcherop Technical and Vocational College  
P.o Box 70-30204,  
Kapcherop. Kenya.  
Elgeyo Marakwet County  
Marakwet West Constituency

**(g) Entity Contacts**

Telephone: (254) 792638668  
E-mail: kapcheroptechnical@gmail.com  
Website: www.kapcheroptechnical.ac.ke

**(h) Entity Bankers**

1. Access Bank  
Kitale Branch
2. Kenya Commercial Banks  
Eldoret Branch.)

**(i) Independent Auditors**

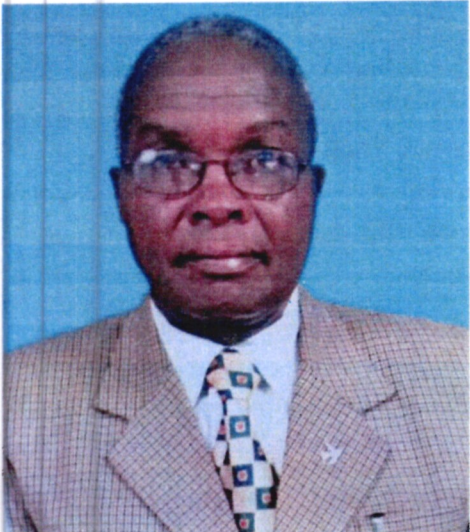

Auditor-General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**(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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**II. The Council/Board of Governors**

Member's Name	Brief Description
 <p><b>Elias K Komen-Board chairman.</b></p>	<p><b>Elias K Komen</b> was born in <b>1956</b>.He studied at Kenya Science Teacher`s College and later to McGill University (CANADA). B.Ed. (Sci).</p> <p>He has a wealth of experience in the field of Education administration, he has worked in various institutions as Kabianga high school, Marakwet sec. school as deputy head teacher, Kapsowar Day sec. school as head teacher, also worked at saint Patrick High school Iten as a deputy head teacher and later on acting capacity head teacher.</p> <p>He then later on moved to Tambach Teachers` college as the principal in 1998.In 1999 he moved to Eldoret polytechnic as deputy principal. In June 1999 he went to Eregi Teachers College as the principal until 2005 where he became the Chief principal in the college. He is the B.O.G chair person</p>
 <p><b>Eng. Benjamin Mumia-Board Member.</b></p>	<p><b>Eng. Benjamin Mumia Wamukoya</b> was born on 14<sup>th</sup> June <b>1984</b>.He attained his Bachelor of Technology Degree, civil &amp; structural Engineering from Moi University and later joined Kenya Institute of management to study and attained Diploma in Project Management.</p> <p>Eng. Mumia is experienced since he has worked for Malaba Keya and Partners, consulting Engineers and Planners as CAD Technician, Graduate engineer and project Engineer and later on in 2014/2017 being Resident Engineer during the construction of Moi University Pension Scheme, MUPS plaza, Eldoret. He is a finance committee chair.</p>

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**Solomon Cheboi-Board Member.**

**Solomon Kimutai Cheboi** was born on 22<sup>nd</sup> August 1984. He joined vision institute of professional studies and attained Accountants Technicians Certificate of Kenya (ATC(K) and later completed his CPA (K) Profession in the same institution. Mr. Solomon Cheboi pursued his Bachelor of commerce (Accounting option) in Kabarak University. He has a wide knowledge in accounting field since he has worked in the field for over 7 years. He worked for Marion Groups of Schools as a Financial Accountant before later on working as an Internal Auditor /Budget assistant at scripture Union of Kenya In 2012 he worked at Sasini group ltd as Financial Accountant and later to date works at Regent Management Limited as Senior Project/Property Accountant.



**Dr Hosea Kiplagat-Board Member.**

**Dr. Hosea Kiplagat** was born in 16<sup>th</sup> January 1978. He is a PhD holder in Educational Technology in University of Eldoret. Currently working as the head of Department of Technology Education in University of Eldoret



**Rosemary Muvinya Muange-Board Member.**

**Rosemary Muvinya Muange** was born in 6th June, 1972. he is currently the board member of the Governing Council of the Kapcherop Technical & Vocational College. She has worked as a teacher in Kikima Secondary school and currently working as a lecture in University of Eldoret school of Human resource development and department of quantitative skills and development studies to date

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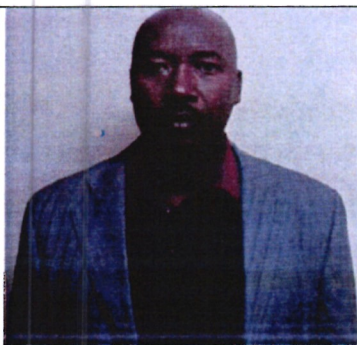
**Dr. Eliud Kipkoech Chelanga-Board Member.**

Dr. Eliud Kipkoech Chelanga was born in 10<sup>th</sup> October 1967. He is a PhD holder in Business administration.



**Margaret Mwangi Murugi-Board Member.**

**Ms Margaret Mwangi Murugi** was born on 5 February 1993. She is currently a member of the Board of Kapcherop Technical and Vocational College. She is a holder of a bachelor's degree in computer science. She has five years' experience having worked at ITEC S Systems Ltd for the last two years. She currently practices as a business development consultant. She is a graduate in computer science from University of Eldoret (2015).





**Simion Cheplogoi-Principal/B O G Secretary.**

**Simion Cheplogoi** was born in 1973. He attained Diploma in science and technical education from Kenya Science Teachers College in 1995. He joined Moi University for Bed. Technology. He is currently on going with MPHIL in University of Eldoret.




He has a wealth of experience in the field of education administration. He worked as lecturer in Aiyabo High school before joining Rift Valley Technical Training Institute as a senior lecture, deputy registrar, admission and marketing as well as teaching math's and mechanical. He moved to Baringo Technical College as deputy principal before joining Kapcherop Technical and vocational college as the principal to date. He is the secretary B.O.G.

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**III. Management Team**

NAME OF THE EMPLOYEE	BRIEF DESCRIPTION
 <p><b>Simion Cheplogoi</b> <b>Principal/B O G Secretary.</b> He attained Diploma in science and technical education from Kenya Science Teachers College in 1995. He joined Moi University for Bed. Technology. He is currently on going with MPHIL in University of Eldoret. He has a wealth of experience in the field of education administration. He worked as lecturer in Aiyabo High school before joining Rift Valley Technical Training Institute as a senior lecture, deputy registrar, admission and marketing as well as teaching math's and mechanical. He moved to Baringo Technical College as deputy principal before joining Kapcherop Technical and vocational college as the principal to date. He is the secretary B.O.G.</p>	<ol style="list-style-type: none"> <li>1. In charge of day to day running of the institution.</li> <li>2. In charge of Teaching and administration.</li> <li>3. He is the accounting officer of the institution.</li> </ol>
 <p><b>Paul Seurey</b> <b>Deputy Principal</b> He attained Bachelor's degree in Education Science from Egerton University.</p>	<ol style="list-style-type: none"> <li>1. Assist the principal in running day to day activities of the Institution.</li> <li>2. In charge of Academic and discipline.</li> <li>3. Team leader of performance contracting.</li> </ol>

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 <p><b>Samwel Laktabai</b> <b>Registrar.</b> He attained Bachelors of Education Technology from Moi University.</p>	<ol style="list-style-type: none"> <li>1. Admission of Students.</li> <li>2. In charge of Examination</li> <li>3. In charge Marketing and performance contracting</li> <li>4. In charge of Support staff</li> </ol>
 <p><b>Issa Mabunde</b> <b>Dean of Students.</b> He attained Bachelors of Science degree in Agricultural Engineering from University of Nairobi.</p>	<ol style="list-style-type: none"> <li>1. In charge of trainees welfare.</li> <li>2. In charge of guiding and counselling of trainees.</li> <li>3. In charge of career guidance.</li> </ol>
 <p><b>Gladys J Kemboi.</b> <b>Finance Officer.</b> Pursuing Bachelor's degree in finance at Catholic University-Continuing She attained CPA(K) Certificate of professionals having completed CPA SECT. I, II &amp; III. She is a graduate (ATC) Accounting Technician Certificate.</p>	<ol style="list-style-type: none"> <li>1. Head of Finance Department.</li> <li>2. Preparation of financial policy.</li> <li>3. Preparation of financial statements.</li> <li>4. Budget preparation.</li> <li>5. Advising the principal on financial matters of the school</li> </ol>

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**IV. Chairman's Statement**

**KEY ACHIEVEMENTS**

The institution made several milestones during the period under review. Here are some of the highlights:

**Growth in Student Enrolment**

The college population is impressively increasing and therefore more classes and workshops need to be constructed.

We appreciate the government through KUCCPS and the community for this improved student enrolment.

The student's enrolment at this financial year stands at **479** students as at **June 2022**.

**DEVELOPMENT AND INFRASTRUCTURE**

The institution has engaged an expert to develop and mount a Learning Management System (LMS) for use in ODEL. The trainers have been trained on the use of LMS to train remotely, development of digital content and uploading the same on the LMS, registering trainees on the LMS.

Due to increase in student number we managed to build four temporary classes to help curb the shortage of classes.

We are focussing next financial year to construct building workshop to enable our trainees during practical to be done in a conducive environment.

**MANAGEMENT CHANGE**

The new board was inaugurated into office on 15/1/2021. The board was declared officially inaugurated with the following membership;

1. Elias K. Komen –Chairperson
2. Solomon Cheboi –Member
3. Dr. Eliud K Chelang`a –Member
4. Margaret M Mwangi-Member
5. Eng. Benjamin M. Wamukhoya –Member
6. Dr. Hosea Kiplagat-Member
7. RoseMary M Muange-Member
8. Simion Cheplogoi -Secretary

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Members were informed that their mandate is anchored in the TVET Act 2013 and the relevant enabling legislation.

**CHALLENGES EXPERIENCED**

We experienced a number of challenges during the period under review. Trainees housing is still a major challenge in this area due to increased enrolment of trainees.

**FUTURE OUTLOOK**

We are looking forward to increased enrolment in numbers to over 800 students by 2024. The college requires major investment in infrastructure such as hostels, lecture halls, workshops and dining hall. We are engaging with the community stakeholders in an effort to increase housing facilities for students. We also seek to grow our collaboration linkages with various local and international development partners so that we may propel the institution to greater heights. It is our hope that we shall realize key industry linkages with major industry partners. This will see the rise in the quality and relevance of technical courses offered in the institution.



**ELIAS K KOMEN**

**BOARD CHAIRMAN.**

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**V. Report of the Principal**

The College has continued to discharge its core mandate as guided by the Board of Governors, in pursuit of its vision of “A global leader in research and training in technology, engineering, innovation and entrepreneurship”

As one of the Technical and Vocational Colleges built to further the aims of the Vision 2030 and the Big Four agenda by enhancing transfer of Technical and Vocational skills and learning in Kenya, the College has continued to offer quality Education and training that meets the expectations of industry and the general populace.

Looking to the future, there is need to invest heavily in infrastructure to enable us manage the planned increase in the number of trainees reporting for training. Lecture halls and rooms is our immediate focus in the coming financial years as elucidated in our strategic plan 2020-2025.

Due to increase in trainees’ population, we managed to construct four temporary classes and construction of the building workshop will be done next financial year.

**I. ADMINISTRATION**

The college in the financial year ended 30 June 2022 had five functional departments with a total enrolment of 479 students. The key functions of the department(s) can broadly be described as creating a conducive environment in which learners in the College can have their concerns addressed in a timely, effective and efficient manner.



**SIMION CHEPLOGOI**

**PRINCIPAL**

**KAPCHEROP TECHNICAL AND VOCATIONAL COLLEGE.**

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

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 entity's performance against predetermined objectives.

Kapcherop Technical and Vocational College has 5 strategic pillars and objectives within current Strategic Plan for the FY 2020- FY 2024. These strategic pillars are as follows:

- Pillar 1: Mount CBET Courses
- Pillar 2: Develop ICT Infrastructure
- Pillar 3: Service delivery -Install management information system
- Pillar 4: Construct tuition block
- Pillar 5: Construct two classes

Kapcherop Technical and Vocational College develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Kapcherop Technical and Vocational College achieved its performance targets set for the FY 2021/2022 period for its 5 strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar</b>		<b>Objective</b>	<b>Total Estimated Cost</b>	<b>Activities</b>	<b>Achievements</b>
Pillar 1	Mount CBET Courses	<b>Purchase Pick up and Motorbike</b>	4,500,000	At Initiation	<b>Not achieved</b>
Pillar 2	Develop ICT Infrastructure	<b>Purchase three Desktop</b>	350,000	At Initiation	<b>Achieved</b>
Pillar 3	Service delivery -Install management information system	<b>Installation of management information system</b>	3,000,000	At Initiation	<b>Achieved</b>
Pillar 4	Construct tuition block	<b>Design drawings and approval</b>	60,000,000	At Initiation	<b>Not Achieved</b>
Pillar 5	Construction of four classes	<b>Drawings and approval</b>	1,800,000	At Initiation	<b>Achieved</b>

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**VII. Corporate Governance Statement**

The current Board of Governors was appointed into office on 2/7/2020 and upon appointment immediately took charge of their mandate to steer the college forward through application of best governance practices and standards.

One of the core values is effective corporate governance. There are benefits of a properly implemented effective corporate governance system as it provides stakeholders confidence.

The College has built its operations on very strong corporate governance principles based on the application of high and consistent ethical standards in its relationships with all customers, employees and other stakeholders. This is consistent with the institutions core values of effective corporate governance that has led to a strong commitment to conduct business in accordance with best business practices based on principles of transparency, accountability and responsibility, monitoring compliance with relevant laws and regulations, risk management, appropriate checks and balances and the delivery to commitments to all stakeholders.

Ethical leadership and integrity, socio-environmental responsibility and determination of group strategy are the key principles that are taken into account while setting governance standards for the group. The College has kept abreast with international developments in corporate governance for the promotion of enhanced transparency, integrity and rule of law.

The Board of Governors is the representative of the stakeholders, and has the duty of validating financial results and the review of college performance, protecting assets, counselling the chief executive officer on strategy and nurturing the next generation of leaders. The board is all responsible for ensuring proper and sound corporate governance within the College. Good corporate governance is therefore a fundamental part of the culture and the business practices of the College.

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**BOARD CHARTER**

**1. PURPOSE**

This charter sets out the key values and principles of the Board of governors of the Kapcherop Technical and Vocational College

It provides a concise overview of:

1. The role and responsibilities of the board of governors;
2. powers of the board and board committees;
3. separation of roles between the Board and Management;
4. the practice of the board in respect of corporate governance matters.

This Board Charter is subject to the provisions of the TVET Act, 2013, the PFM Act, 2012 and any applicable law or regulatory provision.

**2. ROLE OF THE BOARD**

- a) The Board is the ultimate decision-making body of the College.
- b) The Board is responsible for establishing sound system of internal control for the College.
- c) The Board is responsible for overseeing the corporate governance framework.
- d) The Board is responsible for: adoption of strategic plans and policies; monitoring the operational performance; establishing policies and processes that ensure integrity of the College's internal controls; and risk management.
- e) The Board is responsible for establishing clear roles and responsibilities in discharging its fiduciary and leadership functions.
- f) The Board is responsible for ensuring that management actively cultivates a culture of ethical conduct and sets the values to which the institution will adhere.
- g) The Board is responsible for ensuring that the strategies adopted promote the sustainability of the College.
- h) The Board is responsible for establishing policies and procedures for effective operations of the College.
- i) The Board shall establish appropriate staffing and remuneration policies for all employees as required.
- j) The Board shall ensure the College's compliance with all applicable laws, regulations, governance codes, guidelines and regulations and establish systems to effectively monitor and control compliance across the College.

**3. MATTERS RESERVED FOR THE BOARD**

- a) The Board reserves specific powers to itself and delegates other matters to the management of the College.
- b) The Board delegates its day to day powers and duties to the Principal and to the Management Team as required by law.

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**4. DELEGATION OF AUTHORITY**

- a) Effective governance of the College requires management to be involved in all significant decisions, and to be accountable to the Board. All delegated authorities must emanate from the Board.
- b) In establishing delegated authorities, whether for financial expenditure approval, or other approvals, both quantum and individuals to be granted authority must be presented to the Board.
- c) The Principal must raise with the Board any matter of significance affecting the College which requires the Board's attention, including any matters which exceed the delegated authority of the executive management.

**5. COMPOSITION OF THE BOARD**

- a) The Board shall be appointed by the Cabinet Secretary for Education. It includes members representing Industry, Technology, Leadership, ICT, and Finance & Engineering.
- b) The Board shall ensure that it comprises a diverse mix of skills and expertise critical for effective oversight on the management of the College. This shall be underscored by ensuring that each member has the requisite skill and access to the necessary tools required for their effective performance.

**5.1. Appointment and Remuneration of Board members**

- a) The Board shall consist of members as shall be determined from time to time and subject to regulatory requirements. The Board Nominating Committee shall recommend governors for appointment by the Cabinet Secretary for Education as per regulatory requirements.
- b) The Chairman of the Board shall be appointed by the Cabinet Secretary for Education.
- c) The number of Board members shall be as determined by the TVET Act 2013.
- f) The Board shall establish and approve formal and transparent remuneration policies and procedures for Board members.
- g) Governor's remuneration package shall be adequately disclosed in the full board meeting(s) in line with the financial ability of the college as regulated by the TVET Act 2013.

**6. BOARD INDEPENDENCE**

To enhance independence, the Board shall avail an environment that ensures the members are critical and independent of one another so as to promote independent and objective judgment.

**7. ACCESS TO INFORMATION AND INDEPENDENT ADVICE.**

- a) The Board may from time to time require independent legal, financial, governance or other expert advice. To facilitate this, the Board shall ensure members obtain external advice, as may be required, at the College's expense and shall invite senior management to provide technical advice as needed.
- b) The Board shall establish procedures to allow its members access to relevant, accurate and complete information and professional advice in order to discharge its duties effectively.

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**8. BOARD TRAINING**

- a) Each Board member shall participate in an induction program that is tailored to effectively orient the member to the College's business, strategy, objectives, policies, procedures, operations, senior management and operating environment. The induction shall also include all the necessary information that shall be required by a member for effective performance on the Board. New Board members shall also be introduced to their fiduciary duties and responsibilities as well as any other aspects that are unique to the College.
- b) Board members should have a clear understanding of their role in corporate governance and be able to exercise sound and objective judgment about the affairs of the College.
- c) The Board shall ensure adequate Board development through continuous training to keep the Board well informed on critical information pertinent to the College and corporate governance environment.
- d) The Board shall conduct a bi-annual review to identify the training needs and facilitate up skilling as well as continuous development.

**9. BOARD EVALUATION**

- a) For improved Board effectiveness, the Board shall carry out an assessment of its performance the performance of the Chairperson, that of its committees, individual members and the Principal.
- b) The Board shall discuss the results of the evaluation exercise which shall also inform the Board on the training needs for its members.
- c) The Board shall disclose whether evaluation of the Board, the chairperson and the Principal has been undertaken in the annual report and financial statements of the College.

**10. ROLE OF THE CHAIR AND SECRETARY**

The Chair is appointed by the Cabinet Secretary for Education. The Secretary who is the Principal shall keep the Chair informed about the operations of the College.

The Role of the Chair shall be to:

- a) Provide leadership to the Board and ensure its effectiveness in all aspects of its role. The Chair shall set the Board agenda with the assistance of the Principal who is the Secretary.
- b) Facilitate the effective contribution of governors and encourage constructive relations between governors.
- c) Monitor attendance at Board meetings;
- d) To ensure that there is a robust process for Board succession and that a current pool of candidates has been identified;
- e) Develop the strategy of the College, together with the Principal, and ensure the Board is fully appraised and has the opportunity to debate the strategic direction of the College;
- f) Put in place and maintain an effective delegation of authority structure to provide effective management and control over the College's business with the assistance of the Principal;
- g) Communicate effectively with the College stakeholders. The stakeholders include, where applicable, regulators, governments, students, staff and the communities within which the College operates;
- h) Together with the Principal, to ensure that the College communicates effectively with, stakeholders, government agencies, financial institutions, the media, the public and any relevant special interest groups who have a legitimate concern or involvement with the operation of the College;
- i) Ensure that the views of the stakeholders are communicated to the Board as a whole;
- j) Chair the Full Board Meetings and all other stakeholder meetings of the College;

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- k) Together with the Principal and Secretary, ensure that the College operates to the highest standards of corporate governance;
- l) Manage the training needs of each board member and ensure development;
- m) Ensure the Board undertakes continuous development in order to enhance governance practices within the Board itself and in the interest of the College.

The role of the Secretary shall be to:

- a) Ensure that the policies spelt out by the Board in the College's overall corporate strategy are implemented;
- b) Identify and recommend to the board competent officers to manage the operations of the College. In the fulfilment of this duty, the Secretary should ensure that the College's human resources policy is adhered to;
- c) Co-ordinate the operations of the various departments within the College;
- d) Establish and maintain efficient and adequate internal control systems;
- e) Design and implement the necessary management information systems in order to facilitate efficient and effective communication within the College
- f) Ensure that the Board is frequently and adequately appraised about the operations of the College through presentation of relevant board papers, which must cover, but are not limited to, the following areas:
  - i) Actual performance compared with the past performance and the budget together with explanations of all the variances.
  - ii) Capital structure and adequacy.
  - iii) Performance; in particular, problem students, courses and provisions.
  - iv) Income and expenses.
  - v) Income: sources and distribution profile.
  - vi) Report on violation of laws and remedial activities undertaken to ensure compliance with the guidelines.
  - vii) Any other duties as may be assigned by the Board from time to time.

## **11. DUTIES OF BOARD MEMBERS**

Each Board member shall have the fiduciary duty to—

- a) Exercise a reasonable degree of care, skill and diligence;
- b) Act in good faith and in the best interests of the College and not for any other purpose;
- c) Act honestly at all times and must not place themselves in a situation where personal interests conflict with those of the College;
- d) Exercise independent judgment at all times;
- e) Devote sufficient time to carry out their responsibilities and enhance their skills;
- f) Promote and protect the image of the College;
- g) Owe their duty to the College and not to the nominating authority; and
- h) Owe the College a duty to hold in confidence all information available to them by virtue of their position as a Board member.

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**12. THE SECRETARY**

The Principal appointed by the Public Service Commission is the Secretary to the Board and is charged with the following responsibilities:

- a) To provide guidance to the Board on its duties and responsibilities and on other matters of governance;
- b) To ensure that the Board complies with its obligations under the law and the TVET Act 2013 and all other relevant laws.
- c) To assist the Chairperson of the Board in organizing the Boards activities;
- d) To assist the Board with evaluation exercise;
- e) To coordinate the governance audit process;
- f) To maintain and update the register of conflict of interest;
- g) To facilitate effective communication between the organization and the stakeholders; and
- h) To carry out any other duties as may be assigned by the Board from time to time.

**13. BOARD COMMITTEES**

- a) The Board may discharge any of its responsibilities through Board Committees appointed from amongst its members subject to the applicable laws.
- b) The Board has established the following committees:
  1. Audit & Risk Management Committee
  2. Finance & Human Resource Committee
  3. Academics & Research Committee
- c) The Board shall appoint the Chairpersons of the Committees and shall approve appropriate terms of reference for the Committees.
- d) Reporting obligations:
  - i) The Committees shall report to the Board on matters referred to it by the Board and on the proceedings following each meeting of the committee. The report shall include findings, matters identified for specific recommendation to the Board, action points and any other issues as deemed appropriate.
  - ii) The committees shall liaise with each other in so far as it is expedient to effectively perform their different roles.
- e) The Board remains collectively responsible for the decisions of any committee and shall review the effectiveness and performance of committees annually.
- f) The Board may be required to establish other committees from time to time.

**14. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS**

- a) All Board members are required to:
  - i) Declare any interests that may give rise to potential or perceived conflict e.g. business relationships or other circumstances that could interfere with exercise of objective judgment;
  - ii) Declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted Board member shall not participate further in the discussion of that subject, nor vote on it. This is subject at all times to the provisions of the guiding laws rules & regulations of the College.

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- b) The Board shall evaluate all potential or perceived conflict of interest as declared and shall approve such transactions with the College as may be appropriate.
- c) A register of declared Conflicts of Interest shall be maintained by the Secretary.

**15. CODE OF CONDUCT**

- a) The Board shall adopt a Code of Conduct for all governors and employees that addresses, among other things, conflict of interest and which shall be reviewed and updated regularly. A summary of this code shall be made available on the College's website.
- b) The College shall adopt effective whistle blowing mechanisms that encourage staff and other stakeholders to bring out information helpful in enforcing good corporate governance practices.
- c) The Board shall also adopt the Public Service Code of Conduct that will apply to all governors and staff.

**16. RELATIONS WITH STAKEHOLDERS**

- a) The Board shall recognize, respect and protect the rights of stakeholders and shall ensure equitable treatment of all stakeholders.
- b) The Board shall provide stakeholders with information as is required under the applicable law and shall establish mechanisms to ensure effective communication with stakeholders.
- c) The Board shall have a stakeholder-inclusive approach and will be responsible for giving due consideration to the legitimate interests and expectations of the College's stakeholders in its deliberations, decisions and actions.
- d) The Board shall establish effective communication with the College's stakeholders including the media as may be appropriate.

**17. TERMS OF REFERENCE**

The Board shall adopt its detailed Terms of Reference which shall be reviewed periodically.

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**VIII. Management Discussion and Analysis**

**The college operational and financial performance**

The following table shows summary of total revenues collected and total expenditure for the year ending 30<sup>th</sup> June 2022.

<b>DESCRIPTION</b>	<b>REVENUES</b>	<b>EXPENSES</b>
Transfer from National Government	10,402,500	
Rendering of Service	12,650,188	
Sale of Goods-Maize	161,000	
Use of Goods		17,236,000
Personal Emoluments		4,389,660
Board Remuneration		766,000
Repairs and Maintainance		1,225,281
<b>TOTAL</b>	<b>23,213,688</b>	<b>23,616,941</b>

**College compliance with statutory requirement**

Kapcherop Technical and Vocational College financial statements have been prepared in accordance with Section 81(3) of the Public Finance Management Act of 2012. The college complied with statutory obligation of its employees from time to time.

**Total exposure**

The college going concern is not in doubt, and has no on-going or potential court cases that may expose it into potential contingent liability. Further the institution has complied with statutory obligation and requirements. Further, the financial statements have been prepared on a going concern basis and management does not have a significant going concern about the entity's ability to continue as a going concern.

**Reporting framework**

The college first time adoption of International Public sector accounting standards (IPSAS) Accrual in the financial year 2017-2018.

The presentation of financial statements under review is in conformity with International Public sector accounting standards (IPSAS) 1 on the presentation of financial statements. Additionally, each material class of similar items has been presented separately in the financial statements while dissimilar items have been aggregated only if they are immaterial on an individual basis International Public sector accounting standard (IPSAS 1(13))

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**IX. Environmental and Sustainability Reporting Statement**

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

**Sustainability strategy and profile**

Kapcherop Technical and Vocational College has put in place quality assurance mechanisms in the education sector strategy. This was done following presidential directive to TVET Institutions.

Sustainability reforms in the administration of National Examination strategy, Examination policies were adopted and staff trained and sensitized on examination policies.

Increase Enrolment strategy was also adopted through performing marketing activities within the county and in different parts of the country

**Environmental performance**

In our strategic plan, one of our aims is to come up with policies that guide our operations. We are in the process of developing the policies that will guide how the College is to maintain the physical environment we operate in. Currently we are utilising targets we set in our performance contract to guide our actions. We set and surpassed our target of planting and maintaining 100 tree seedlings within the college compound annually.

**Employee welfare**

In our strategic plan, one of our aims is to come up with Human Resource policies that guide our employee's welfare. We are on the process of developing policies that will guide how the College is to recruit and maintain staff, the appraisal of performance, career progression paths and reward systems. We are in compliance with the Occupational Safety and Health Act of 2007.

**Market place practices-**

Being a public Institution, there is the perception that there is a lot of resources to be utilised. The reality is far from that and the resources we have are carefully managed to have the most impact. To this end we carry out the following exercises to get the best partners for continued provision of goods and services.

a) Supplier prequalification

We are guided by the PPOA 2015 and the PPRA guidelines on how to identify suppliers. This is an open and public process that invites all interested parties and has protections built within the process to carve out opportunities for youth, women and people with disabilities.

b) With our prequalified suppliers, we endeavour to meet our obligations on time so that we may be able to sustain relations for future partnerships.

c) Being a national Government entity, the college makes a nationwide advert through use of the local administration notice boards, and our website to market opportunities in the College.

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**Corporate Social Responsibility / Community Engagements**

Kapcherop Technical and Vocational College was founded for public benefit, to promote Technical Education and Knowledge and provide an institution open for all, irrespective of race, creed or political belief. It is pioneering institution of higher learning in making technical education available to the communities living in Elgeyo-Marakwet county and Kenya at large.

The College s corporate social responsibility is to set out the guiding principles by which the organization is run in order to fulfil its core mandate.

During the financial year ended 30<sup>th</sup> June 2022, Kapcherop Technical and Vocational College did not engage in any corporate social responsibility. However, the college is committed in implementing community engagements in the next financial year.

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**X. Report of the Board of Governors**

The Board members submit their report together with the audited financial statements for the year ended June 30<sup>th</sup>, 2022, which show the state of the Kapcherop Technical and Vocational College affairs.

**Principal activities**

The principal activities of the entity are training

**Results**

The results of the Kapcherop Technical and Vocational College for the year ended June 30<sup>th</sup> 2022 are set out on page 1-5.

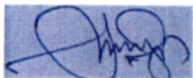
**Board of Governors**

The members of the Board who served during the year are shown on page vi, vii and viii.

**Auditors**

The Auditor General is responsible for the statutory audit of the Kapcherop Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Kapcherop Technical for the year/period ended June 30<sup>th</sup>, 2022, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



**Simion Cheplogoi  
Principal/ Secretary of the Board  
Kapcherop Technical and Vocational College.**

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

Section 81 of the Public Finance Management Act, 2012 and Technical Vocational Education and Training (TVET) Act, 2013 require the board members to prepare financial statements in respect of Kapcherop Technical and Vocational College, which give a true and fair view of the state of affairs of the entity at the end of the financial year and the operating results of the entity for that year. The Board members are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Board members are also responsible for safeguarding the assets of the entity.

The Board are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on 30 June 2022. 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 entity;
- (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 entity;
- (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 entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and Technical Vocational Education and Training (TVET) Act, 2013. The board members are of the opinion that the College's financial statements give a true and fair view of the state of Kapcherop Technical College transactions during the financial year ended 30 June 2021 and of the entity's financial position as at that date. The board, further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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Nothing has come to the attention of the board members to indicate that Kapcherop Technical 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.**

Kapcherop Technical and Vocational College financial statements were approved by the Board on 10<sup>TH</sup> April

2023 and signed on its behalf by the Chairman of the Board and the Principal.



**Elias Komen**

**Chairman of the Board**

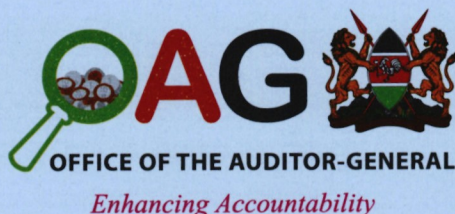


**Simion Cheplogoi**

**Principal/Secretary to the Board**

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON KAPCHEROP TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kapcherop Technical and Vocational College set out on pages 1 to 50, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of

changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kapcherop Technical and Vocational College as at 30 June, 2022, and 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 Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act 2013.

### **Basis for Qualified Opinion**

#### **1. Errors in the Annual Report and Financial Statements**

Review of the annual report and financial statements revealed the following anomalies;

##### **1.1 Board of Governors**

- i. Photograph and other details of the College principal who is the secretary to the Board has been not been reflected under the Board of Governors;
- ii. One member of the Board of Governors, has been erroneously included in Management Team;
- iii. Key Entity Information and Management and the Board of Governors have not been aligned to the table of contents;
- iv. The report does not indicate whether a member of the Board is independent or executive and the committee he/she chairs;
- v. The report does not indicate whether or not the Secretary of the Board is a member of the Institute of Certified Secretaries as required under Mwongozo code in addition to their other details.

##### **1.2 Corporate Governance Statement**

The Corporate Governance Statement does not indicate the attendance of Board meetings by members, existence of Board charter, processes of appointment and removal of council members, induction and training and Board remuneration.

In the circumstances, the annual report and financial statements are not in compliance with the Public Sector Accounting Standards Board reporting templates.

#### **2. Unsupported Board Expenses**

The statement of financial performance reflects board expenses of Kshs.766,000. Review of records provided revealed the following anomalies;

- i. Payment vouchers provided indicated a total expenditure of Kshs.922,000 resulting to an unexplained variance of Kshs.156,000;
- ii. A virtual Board meeting held on the 19 July, 2021, however, there was no record of attendance taken reflecting each Board member/participant clearly stated; their full name, location, type of device being used and give confirmation that they can clearly hear the others. A conflict of interest register has also not been provided and the meeting had no quorum as only three (3) Board members were present as opposed to the requisite minimum of four (4) for a quorum to be registered;
- iii. The Board had an approved budget of Kshs.663,000 for Board expenses against an actual of Kshs.766,000 resulting to an over expenditure of Kshs.103,000 or 16% of the budget. No approval from the relevant authority has been provided for this budget overrun;
- iv. The Board did not develop an Annual Work Plan and subsequently there was no annual board calendar in place;
- v. The Board had not been certified by an accredited body within six months of their appointment;
- vi. The Board did not carry out an annual evaluation of its performance resulting in an evaluation report with recommendations for implementation;
- vii. The Board was not subjected to an annual governance audit by a member regulated by the Institute of Certified Public Secretaries of Kenya (ICPSK) and accredited for that purpose;
- viii. The Board did not recruit the services of a Corporation Secretary on a full or part time basis as required under Section 1.20.1 of the Mwongozo Code; and
- ix. The Board did not publish on the Organization's website, the Code of Ethics and whistle-blowing policies of the Organization.

In the circumstances, the accuracy and completeness of the board expenses of Kshs.766,000 could not be confirmed.

### **3. Inaccuracy of Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs.4,319,211 as disclosed in Note 31 to the financial statements. However, the College owns land, buildings, donated plants and equipment and a motor vehicle which were not disclosed. Further, the assets register reflected assets with net book values totalling to Kshs.43,421,945 resulting to an unexplained variance of Kshs.39,102,734.

In addition, the land title deeds and the motor vehicle log book were not provided for audit verification.

In the circumstances, the accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.4,319,211 could not be confirmed.

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

### **Other Matter**

#### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.94,932,000 and Kshs.23,218,680 respectively resulting to an underfunding of Kshs.71,713,320 or 75.5% of the budget. Similarly, the College spent Kshs.23,663,855 against an approved budget of Kshs.94,932,000 resulting to an under-expenditure of Kshs.71,268,145 or 75% of the budget. Further, a re-computation of the expenditure final budget column revealed a total of Kshs.95,042,000 and not Kshs.94,962,000 resulting to an unreconciled variance of Kshs.110,000. In addition, it was noted that the College had an unbalanced budget.

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

#### **2. Unresolved Prior Year Matters**

There were issues raised in the audit report for 2020/2021 financial year of which no report or recommendations from the College's Management and oversight bodies were submitted for review. The issues remain unresolved contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which require accounting officers designated for National Government entities to try to resolve any issues resulting from an audit that remain outstanding.

## **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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis of Conclusion**

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance 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**

#### **1. Lack of Audit Committee and Internal Audit Function**

As previously reported, the College did not have an Audit Committee of the Board and Internal Audit Function.

In the circumstances, the existence and effectiveness of the internal controls and oversight services in the College could not be confirmed.

#### **2. Lack of an Approved Information Communication Technology (ICT) Policy**

As previously reported, review of the College's Information and Communication Technology (ICT) systems revealed that there is no IT strategic policy, data recovery plan and IT security policy. Further, the College did not have an IT steering Committee which is important in performing the oversight function and formulation of policies to ensure that IT department functions properly to assist in achievement of organizational objectives in an economic, efficient and effective way.

In addition, the College did not have periodic IT reports which are supposed to assess the status of implementation of IT systems and suggest corrective measures.

Lack of an approved IT policy may result in an unclear direction regarding maintenance of information security across the Organization and safeguarding the College's ICT assets. Similarly, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and loss of data confidentiality, integrity and availability.

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

### **Responsibilities of Management and the Board of Governors**

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

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

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

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

The Board of Governors is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 controls 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 controls 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 controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of 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.

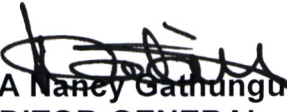
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to 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 controls that are identified during the audit.

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

19 May, 2023

**KAPCHEROP TECHNICAL AND VOCATIONAL COLLEGE  
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**XIII. Statement of Financial Performance for the year ended 30 June 2022**

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	14,370,000	13,167,500
Grants from donors and development partners	7	-	-
		<b>14,370,000</b>	<b>13,167,500</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	10	12,655,180	6,866,557
Sale of goods	11	161,000	-
<b>Revenue from Exchange transactions</b>		<b>12,816,180</b>	<b>6,866,557</b>
<b>Total Revenue</b>		<b>27,186,180</b>	<b>20,034,057</b>
<b>Expenses</b>			
Use of goods and services	15	17,236,000	9,291,534
Employee costs	16	4,389,660	2,660,846
Board Expenses	17	766,000	1,086,900
Depreciation and amortization expense	18	2,111,966	1,829,778
Repairs and maintenance	19	1,225,281	226,073
Finance costs	22	46,914	0
<b>Total Expenses</b>		<b>25,775,821</b>	<b>15,095,131</b>
<b>Other Gains/(Losses)</b>			
<b>Total Other Gains/(Losses)</b>		-	-
<b>Net surplus/Deficit for the year</b>		<b>1,410,359</b>	<b>4,938,926</b>

The notes set out on pages 6 to 48 form an integral part of the Annual Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed by:

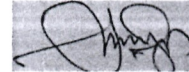
**Elias Komen**



**Gladys J Kemboi**



**Simion Cheplogoi**



**Chairman of Board of Governors**

**Date: 10/04/2023**

**Finance Officer**

**Date: 10/04/2023**

**ICPAK NO. 26115.**

**Principal/BOG Secretary**

**Date: 10/04/2023**

**KAPCHEROP TECHNICAL AND VOCATIONAL COLLEGE  
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**XIV. Statement of Financial Position as at 30th June 2022**

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	26	5,944,280	5,113,306
Current portion of receivables from exchange transactions	27(a)	2,973,954	2,636,373
Receivables from non-exchange transactions	28(a)	9,824,250	5,856,750
Inventories	29	343,242	
		<b>19,085,726</b>	<b>13,606,429</b>
<b>Non-Current Assets</b>			
Long term receivables from exchange transactions	27(b)	-	
Property, plant, and equipment	31(b)	4,319,211	5,491,546.08
Intangible assets	32	-	
<b>Total Assets</b>		<b>23,404,937</b>	<b>19,097,975</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade payables-Creditors	34	935,466	-
Payments received in advance	34	1,961,136	-
Refundable deposits from customers	35	-	-
Deferred income	38	-	-
Employee benefit obligation	39	-	-
<b>Total Liabilities</b>		<b>(2,896,602)</b>	
<b>Net Assets</b>		<b>20,508,334</b>	<b>19,097,975</b>
Balance b/f		19,097,975	14,159,049
Surplus/Deficit for the period		<b>1,410,359</b>	4,938,926
<b>Balance c/d</b>		<b>20,508,334</b>	<b>19,097,975</b>

The Financial Statements set out on pages 1 to 5 were signed by:

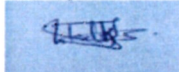
**Elias Komen**



**Chairman of Board of Governors**

**Date: 10/04/2023**

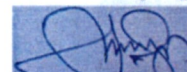
**Gladys J Kemboi**



**Finance Officer**

**Date: 10/04/2023**

**Simion Cheplogoi**



**Principal/BOG secretary**

**Date: 10/04/2023**

**ICPAK NO. 26115**

**KAPCHEROP TECHNICAL AND VOCATIONAL COLLEGE  
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**XV. Statement of Changes in Net Asset for the year ended 30 June 2022**

Description	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
<b>At July 1, 2021</b>		19,097,975		19,097,975
Reserves		-		-
Surplus/Deficit received during the year		1,410,359		1,410,359
<b>At June 30, 2022</b>		<b>20,508,334</b>		<b>20,508,334</b>

**Note:**

1. The amounts of kshs. **19,097,975** relates to prior years retained earnings which is brought forward as opening balance for this financial year.

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**XVI. Statement of Cash Flows for the year ended 30 June 2022**

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Cash flows from operating activities-Receipts.</b>			
Transfers from other government entities/govt. Grants		10,402,500	13,167,500
Rendering of services- fees from students	10	12,655,180	6,866,557
Sale of goods	11	161,000	
<b>Total Receipts</b>		<b>23,218,680</b>	<b>20,034,057</b>
<b>Payments</b>			
Compensation of employees	16	4,389,660	2,660,846
Use of goods and services	15	17,236,000	9,291,534
Board allowances	17	766,000	1,086,900
Repairs	19	1,225,281	226,073
Bank Charges	22	46,914	
<b>Total Payments</b>		<b>23,663,855</b>	<b>13,265,353</b>
<b>Net Cash Flows from operating activities</b>		<b>(445,175)</b>	<b>6,768,704</b>
<b>Adjustment for working Capital</b>			
Increase/Decrease in Debtors		(337,581)	(3,325,209)
Increase/Decrease in Inventories		(343,242)	
Increase/Decrease in creditors		935,466	
Increase/Decrease in payables		1,961,136	
<b>Net cashflows from Working Capital</b>		<b>2,215,77</b>	
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	31	(939,630)	(4,323,836)
<b>Net cash flows used in investing activities</b>		<b>(939,630)</b>	<b>(4,323,836)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>830,974</b>	<b>(880,381)</b>
Cash and Cash equivalents at 1 JULY 2021	26	<b>5,113,306</b>	5,993,647
<b>Cash and Cash equivalents at 30 JUNE 2022</b>	26	<b>5,944,280</b>	<b>5,113,306</b>

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**XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021-2022 Kshs	2021-2022 Kshs	2021-2022 Kshs	2021-2022 Kshs	2021-2022 Kshs	2021-2022 %
<b>Revenue</b>						
Transfers from other govt entities and govt grants	18,000,000	-	18,000,000	10,402,500	3,630,000	20%
Development grants	60,080,000	-	60,080,000	0	-	-
Rendering of services- fees from students	15,852,000	-	15,852,000	12,655,180	3,201,812	20%
Sale of goods	500,000	-	500,000	161,000	339,000	67.8%
Recurrent grants	500,000	-	500,000	0	-	-
<b>Total Income</b>	<b>94,932,000</b>	<b>-</b>	<b>94,932,000</b>	<b>23,218,680</b>		<b>-</b>
<b>Expenses</b>						
Compensation of employees	6,912,000	-	6,912,000	4,389,660	2,522,340	45%
Use of goods and services	26,400,000	-	26,400,000	17,236,000	9,164,000	53%
Repairs	987,000	-	987,000	1,225,281	(238,281)	-
Finance cost	-	-	-	46,914	(46,914)	-
Remuneration of directors	663,000	-	663,000	766,000	(103,000)	-
Development grants	60,080,000	-	60,080,000	0	-	-
<b>Total Expenditure</b>	<b>94,962,000</b>	<b>-</b>	<b>94,962,000</b>	<b>23,663,855</b>		<b>-</b>
<b>Surplus For the Period</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>(445,175)</b>		

**(Budget notes)**

1. Over-budgeting of transfer from government grants.
2. Over budgeting from student enrolment.
3. Under-spending in use of goods due to unrealized budget.

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**XVIII. Notes to the Financial Statements**

**1. General Information**

Kapcherop Technical and Vocational College is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Kapcherop Technical and Vocational college accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed.

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

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

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

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

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.**

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.**

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 41:</b> Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2023:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of

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Standard	Effective date and impact:
	<p>the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</li> </ul>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently</li> </ul>

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Standard	Effective date and impact:
	<p>omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• IPSAS 22 Disclosure of Financial Information about the General Government Sector.</li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• IPSAS 39: Employee Benefits</li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p>
<p>IPSAS 43</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

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**iii. Early adoption of standards**

The entity did not early-adopt any new or amended standards in year 2022.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and 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 entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

**Sale of goods**

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

**Interest income**

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

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

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**4 Summary of Significant Accounting Policies (Continued)**

**a) Revenue recognition (Continued)**

**ii) Revenue from exchange transactions (continued)**

**Rental income**

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

**b) Budget information**

The original budget for FY 2021/2022 was approved by the Council or Board on 24/06/2022. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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

**c) Taxes**

**Current income tax**

The entity is exempt from paying taxes.

**Sales tax/ Value Added Tax**

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

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

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

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

**d) Investment property**

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

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

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant and equipment**

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

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The annual depreciation applied on Straight-line basis are:

Motor vehicle	25%
Furniture and fittings	12.5%
Computers	33%
Library books	25%
Plant & Equipment	12.5%
Intangible asset	30%
Buildings	2.5%

In addition, financial year ended 30 June 2022; the college had the following assets which had not been valued

Land 10 hectares

- i) Donated Plant and Equipment from Ministry.
- ii) Motor Vehicle
- iii) Land not depreciated

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

**4 Summary of Significant Accounting Policies (Continued)**

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

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

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

**g) Intangible assets**

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

**h) Research and development costs**

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

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

**4 Summary of Significant Accounting Policies (Continued)**

**i) Financial instruments**

**Financial assets**

**Initial recognition and measurement**

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

**Loans and receivables**

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

**Held-to-maturity**

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

**Impairment of financial assets**

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

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

**4 Summary of Significant Accounting Policies (Continued)**

**i) Financial instruments (Continued)**

**Financial assets (Continued)**

**Impairment of financial assets (Continued)**

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

**Loans and borrowing**

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

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

**j) Inventories**

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

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

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

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

**4 Summary of Significant Accounting Policies (Continued)**

**Inventories (Continued)**

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**k) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**Contingent liabilities**

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

**Contingent assets**

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

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

**4 Summary of Significant Accounting Policies (Continued)**

**l) Nature and purpose of reserves**

Kapcherop Technical and Vocational College creates and maintains reserves in terms of specific requirements. The College has Retained Earnings as a reserve and the purpose of this is to clear any outstanding debts accrued in the financial year prior once income is realized

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

Kapcherop Technical and Vocational College recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical

**n) Employee benefits**

**Retirement benefit plans**

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**o) Foreign currency transactions**

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

**p) Borrowing costs**

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

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

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

**4 Summary of Significant Accounting Policies (Continued)**

**q) Related parties**

The Kapcherop Technical and Vocational 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 Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the principal and senior managers.

**r) Service concession arrangements**

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

**s) Cash and cash equivalents**

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

**t) Comparative figures**

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

**u) 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, 2022.

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

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

The preparation of the Kapcherop Technical and Vocational 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 Entity 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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual values**

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

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

**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 xxx.

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

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

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Unconditional Grants</b>		
Capitation Grants	14,370,000	13,167,500
Operational Grant	-	-
Other Grants	-	-
	<b>14,370,000</b>	<b>13,167,500</b>
<b>Conditional Grants</b>		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
<b>Total Government Grants and Subsidies</b>	<b>14,370,000</b>	<b>13,167,500</b>

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

<b>Name Of the Entity Sending the Grant</b>	<b>Amount recognized to Statement of Comprehensive Income Kshs</b>	<b>Amount deferred under deferred income Kshs</b>	<b>Amount recognised in capital fund.</b>	<b>Total grant income during the year 2021-2022</b>	<b>2020-2021</b>
			<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Ministry/State Department	14,370,000	-	-	14,370,000	13,167,500
Ministry	-	-	-	-	-
	-	-	-	-	-
<b>Total</b>	<b>14,370,000</b>	<b>-</b>	<b>-</b>	<b>14,370,000</b>	<b>13,167,500</b>

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry. The details of the reconciliation have been included under appendix III)

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

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

Description	2021-2022	2020-2021
	Kshs	Kshs
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Other Grants	-	-
<b>Total Grants from Development Partners</b>	-	-

**Reconciliations of grants from donors and development partners**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Balance unspent at beginning of year</b>	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
<b>Conditions Yet to Be Met - Remain Liabilities</b>	-	-

(Provide brief explanation for this revenue)

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

Description	2021-2022	2020-2021
	Kshs	Kshs
	-	-
Transfer from County	-	-
Transfer from University	-	-
Transfer from Institute	-	-
<b>Total Transfers</b>	-	-

**9. Public Contributions and Donations**

Description	2021-2022	2020-2021
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
<b>Total Donations and Contributions</b>	-	-

(Provide brief explanation for this revenue)

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

**10. Rendering of Services**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Tuition Fees	4,555,865	6,866,557
Activity Fees	1,138,966	-
Industrial Attachment Fees	1,392,070	-
Personal Emoluments	2,531,036	-
Electricity, Water & Conservancy	1,012,414	-
Local Transport and Travels	1,265,518	-
Repairs and Maintainance	506,207	-
Medical and Insurance	253,104	-
<b>Total Revenue from The Rendering of Services</b>	<b>12,655,180</b>	<b>6,866,557</b>

Provide brief explanation for this revenue

School fees paid by trainees through Helb, NG-CDF bursaries and County bursaries.

**11. Sale of Goods**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Sale of Maize	-	
Sale of Publications	-	
Sale of Farm Produce-Maize	161,000	
Cafeteria sales	-	
Other	-	
<b>Total Revenue from Sale of Goods</b>	<b>161,000</b>	

Provide brief explanation for this revenue

Revenue received through the sale of farm outputs-Maize.

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

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Hire of Facilities and Equipment		
Contingent Rental	-	-
Operating Lease Revenue		
<b>Total</b>	<b>-</b>	<b>-</b>

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

**13. Finance Income**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
<b>Total finance income</b>	-	-

**14. Other Income**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Miscellaneous (specify)	-	-
<b>Total other income</b>	-	-

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**Notes: To the Financial Statements (Continued)**

**15. Use Of Goods and Services**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Activity	1,123,800.00	-
Administration costs	547,141.00	1,910,237
Airtime	95,000.00	249,300
Capacity building	510,293.00	30,500
Cleaning materials	116,435.00	15,802
Construction spray booth	200,000.00	-
Covid-19	292,000.00	549,427
Electricity	245,564.00	224,256
Farming costs	194,450.00	397,780
Fire extinguisher	48,600.00	-
Hardware materials	1,036,652.00	1,570,254
Industrial attachment	247,000.00	8,710
Internet subscription	562,000.00	300,967
KATTI expenses	559,320.00	284,600
Kitchen expenses	597,536.00	554,468
Knec examination	1,969,345.00	-
KUCCPs subscription	6,000.00	-
Maintenance of MIS system	251,940.00	-
Marketing	426,400.00	403,250
Medical expenses	8,200.00	-
MOE Workshop	37,000.00	-
Performance Contracting	575,300.00	413,367
Petrol and Allied Products	105,237.00	-
Refund of money wrongly banked	1,035,000.00	-
Stationaries & Printing	441,470.00	709,215
Strategic Plan	167,099.00	1053
Student Ids	68,800.00	-
Student union	114,525.00	-
Tonnors	208,500.00	-
Training Materials	2,336,663.00	-
Local Transport & Travelling	1,971,660.00	1,245,998
TVET Fairs	940,610.00	95,650
TVETA	128,000.00	148,000
Water bills	60,000.00	-
Website	8,460.00	85,500
Lawn Mower	-	93,200
<b>Total good and services</b>	<b>17,236,000</b>	<b>9,291,534</b>

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

**16. Employee Costs**

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	4,389,660.00	2,660,846
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
<b>Employee Costs</b>	<b>4,389,660.00</b>	<b>2,660,846</b>

**17. Board Expenses**

Description	2021-2022	2020-2021
	Kshs	Kshs
Board allowance	766,000	1,086,900
Directors Emoluments	-	-
Other Allowances	-	-
Other Board Expenses	-	-
<b>Total</b>	<b>766,000</b>	<b>1,086,900</b>

**18. Depreciation and Amortization expense**

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	2,111,966	1,829,778
Intangible assets		
Investment property carried at cost		
<b>Total depreciation and amortization</b>	<b>2,111,966</b>	<b>1,829,778</b>

**19. Repairs and Maintenance**

Description	2021-2022	2020-2021
	Kshs	Kshs
General repairs	1,225,281	226,073
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
<b>Total Repairs and Maintenance</b>	<b>1,225,281</b>	<b>226,073</b>

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**20. Contracted Services**

Description	2021-2022	2020-2021
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
<b>Total contracted services</b>	-	-

**21. Grants and Subsidies**

Description	2021-2022	2020-2021
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Community Trust	-	-
Sporting Bodies	-	-
<b>Total Grants and Subsidies</b>	-	-

**22. Finance Costs**

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Charges	46,914	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
<b>Total Finance Costs</b>	<b>46,914</b>	-

(\*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

**23. Gain On Sale of Assets**

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
<b>Total Gain on Sale of Assets</b>	-	-

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

**24. Unrealized Gain on Fair Value Investments**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Investments at Fair Value	-	-
<b>Total Gain</b>	<b>-</b>	<b>-</b>

**25. Impairment Loss**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Property, Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total Impairment Loss</b>	<b>-</b>	<b>-</b>

**26. Cash and Cash Equivalent**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Current account	5,944,280.37	5,113,306
On-call deposits	-	-
Fixed deposits account	-	-
Staff car loan/mortgage	-	-
Others	-	-
<b>Total Cash and Cash Equivalent</b>	<b>5,944,280.37</b>	<b>5,113,306</b>

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

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**Notes: To the Financial Statements (Continued)**

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

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
<b>a) Current Account</b>			
Kcb account	1219806722	2,292,801.70	4,431,726
Access bank fees	0250100000001	3,649,288.67	475,070
Access bank project	0250100000004	457	1,733
Access bank CDF	0250130000008	1,733	204,777
<b>Sub- Total</b>		<b>5,944,280.37</b>	<b>5,113,306</b>
<b>b) Fixed Deposits Account</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		-	-
<b>c) Staff Car Loan/ Mortgage</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		-	-
<b>d) Others(Specify)</b>			
Cash in Transit		-	-
Cash in Hand		-	-
Mobile Money account		-	-
<b>Sub- Total</b>		-	-
<b>Grand Total</b>		-	-

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

**27. Receivables from Exchange transactions**

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

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	2,973,954	2,636,373
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	<b>2,973,954</b>	<b>2,636,373</b>

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

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Non-Current Receivables</b>		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Current Portion Transferred To Current Receivables	-	-
<b>Total Non-Current Receivables</b>	<b>-</b>	<b>-</b>
<b>Total Receivables</b>	<b>-</b>	<b>-</b>

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

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	-
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	-	-

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

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

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Current Receivables</b>		
Capitation Grants	9,824,250	5,856,750
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	<b>9,824,250</b>	<b>5,856,750</b>

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

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

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

**29. Inventories**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Consumable stores	343,242	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>343,242</b>	<b>-</b>

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**30. Investments**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>a) Investment in Treasury Bills and Bonds</b>		
<b>Financial Institution</b>		
CBK	-	-
CBK	-	-
<b>Sub- Total</b>	-	-
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank X	-	-
Bank Y	-	-
<b>Sub- Total</b>	-	-
<b>c) Equity Investments (Specify)</b>		
Equity/ Shares in Company Xxx	-	-
<b>Sub- Total</b>	-	-
<b>Grand Total</b>	-	-

**d) Shareholding in other entities**

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

Name of Entity where Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares	
	Direct Shareholding	Indirect Shareholding	Effective Shareholding		Current Year	Prior Year
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

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**31. Property, Plant and Equipment**

<b>Assets</b>	<b>Land</b>	<b>Buildings</b>	<b>Motor vehicles</b>	<b>Computers</b>	<b>Furniture and equipment</b>	<b>Text Books</b>	<b>Total</b>
<b>Dep Rates</b>		<b>0.025</b>	<b>0.250</b>	<b>0.330</b>	<b>0.125</b>	<b>0.25</b>	
<b>Cost/valuation</b>							
As at 1 July 2019	-		-	128,000.00	2,343,964.00		2,471,964.00
Additions					1,422,523.00		1,422,523.00
<b>As at 30 June 2020</b>	-		-	<b>128,000.00</b>	<b>3,766,487.00</b>	-	<b>3,894,487.00</b>
As at 1 July 2020	-		-	128,000.00	3,766,487.00	-	3,894,487.00
Additions				3,786,574.00	537,262		4,323,836.00
<b>As at 30 June 2021</b>	-		-	<b>3,914,574.00</b>	<b>4,303,749.00</b>	-	<b>8,218,323.00</b>
As at 1st July 2021				3,914,574.00	4,303,749.00	-	8,218,323.00
Additions				591,000.00		348,630.00	939,630.00
<b>As at 30 June 2022</b>				<b>4,505,574.00</b>	<b>4,303,749.00</b>	<b>348,630.00</b>	<b>9,157,953.00</b>
<b>Depreciation</b>							
As at 1 July 2019	-		-	42,240.00	341,708.00	-	383,948.00
Depreciation	-		-	42,240.00	470,810.88	-	513,050.88
<b>As at 30 June 2020</b>	-		-	<b>84,480.00</b>	<b>812,518.88</b>	-	<b>896,998.88</b>
As at 1 July 2020	-		-	84,480.00	812,518.88	-	896,998.88
Depreciation	-		-	1,291,809.42	537,968.63	-	1,829,778.05
<b>As at 30 June 2021</b>	-		-	<b>1,376,289.42</b>	<b>1,350,487.50</b>	-	<b>2,726,776.92</b>
As at 1st July 2021				1,376,289.42	1,350,487.50		2,726,776.92
Depreciation				1,486,839.42	537,968.63	87,157.50	2,111,965.55
<b>As at 30 June 2022</b>				<b>2,863,128.84</b>	<b>1,888,456.13</b>	<b>87,157.50</b>	<b>4,838,742.47</b>
<b>NBK Value</b>							
As at 30 June 2022	-		-	1,642,445.16	2,415,292.88	261,472.50	4,319,210.54
As at 30 June 2021				2,538,284.58	2,953,261.50	-	5,491,546.08

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**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements.

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

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

<b>Description</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>NBV</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Land	0	0	-
Buildings	0	0	0
Plant And Machinery	0	0	0
Textbooks	348,630	87,157.50	261,472.50
Computers and Related Equipment	4,505,574	(2,863,128.84)	1,642,445.16
Office Equipment, Furniture, And Fittings	4,303,749	(1,888,456.13)	2,415,292.88
<b>Total</b>	<b>9,157,953</b>	<b>4,838,742.47</b>	<b>4,319,210.54</b>

**32. Intangible Assets**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
<b>At end of the year</b>	-	-
Additions–internal development	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

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**33. Investment Property**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
<b>At end of the year</b>	-	-

**34. Trade and Other Payables from Exchange transactions**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables-creditors	935,466	-
Fees paid in advance	1,961,136	-
Salary deductions	-	-
Third-Party Payments	-	-
Other Payables	-	-
<b>Total Trade and Other Payables</b>	<b>2,896,602</b>	-

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumer deposits	-	-
Caution money	-	-
Other refundable deposits	-	-
<b>Total Deposits</b>	-	-

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

**36. Current Provisions**

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

**37. Finance Lease Obligation**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>At the start of the year</b>	-	-
Discount interest on Lease Liability	-	-
Paid during the year	-	-
<b>At end of the year</b>	-	-

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

**Analysed as:**

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

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**38. Deferred Income**

Description	2021-2022	2020-2021
	Kshs	Kshs
National Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	-	-

The deferred income movement is as follows:

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

Analysed as:

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

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

**39. Employee Benefit Obligations**

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2021-2022	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs

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Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total Employee Benefits Obligation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Retirement benefit Asset/ Liability**

The Kapcherop Technical and Vocational College does not operate a defined benefit scheme for all full-time employees.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was not carried out

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

**Recognition of Retirement Benefit Asset/ Liability**

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

Description	2021-2022 Kshs	2020-2021 Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses Arising from Changes in Financial Assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Remeasurement of the net defined benefit liability (asset)</b>	<b>-</b>	<b>-</b>

- b) **Amounts**  
recognised in the Statement of Financial Position

Description	2021-2022 Kshs	2020-2021 Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
Net asset or liability arising from defined benefit obligation	-	-

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The Kapcherop Technical and Vocational College also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 360 per employee per month.

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

**40. Non-Current Provisions**

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

**41. Borrowings**

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the year	-	-

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

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>External borrowings</b>		
Dollar denominated loan from 'xx organization'	-	-
Sterling pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from zzz organization'	-	-
<b>Domestic borrowings</b>		

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Kenya shilling loan	-	-
<b>Total balance at end of the year</b>	-	-

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

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

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Short Term Borrowings(Current Portion)	-	-
Long Term Borrowings	-	-
<b>Total</b>	-	-

**42. Service Concession Arrangements**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

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

**43. Cash generated from operations**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Surplus for the year before tax</b>		
<b>Adjusted for:</b>		
Depreciation	-	-
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-

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	2021-2022	2020-2021
	Kshs	Kshs
<b>Surplus for the year before tax</b>		
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase in Inventory	-	-
Increase in Receivables	-	-
Increase in Deferred Income	-	-
Increase in Payables	-	-
Increase in Payments received in advance	-	-
<b>Net Cash Flow from Operating Activities</b>	-	-

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

#### **44. Financial Risk Management**

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to 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 entity's financial risk management objectives and policies are detailed below:

##### **(i) Credit risk**

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

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

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

the company's management based on prior experience and their assessment of the current economic environment.

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

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2021</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2022</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

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

**44. Financial Risk Management (Continued)**

**(i) Credit risk (continued)**

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

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

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

**(ii) Liquidity risk management**

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

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

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

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in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2021</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2022</b>				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**44. Financial Risk Management (Continued)**

**(iii) Market risk**

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity 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 entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

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

**a) Foreign currency risk**

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2022</b>			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

**44. Financial Risk Management (Continued)**

(iii)

Market risk (Continued)

a)

Foreign currency risk (Continued)

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30<sup>th</sup> June 2022</b>			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

**a) Foreign currency sensitivity analysis**

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

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**b) Interest rate risk**

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

**Management of interest rate risk**

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

**44 Financial Risk Management (Continued)**

**(iii) Market risk (Continued)**

**b) Interest rate risk(continued)**

**Sensitivity analysis**

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

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

**iv)Capital Risk Management**

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash and Cash Equivalents)	-	-
<b>Gearing</b>	-	-

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**45. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

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

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

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Sales to related parties</b>		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (specify)	-	-
<b>Total</b>	-	-
<b>B) Purchases from related parties</b>		
Purchases of electricity from kplc	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others (specify)	-	-
<b>Total</b>	-	-
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt	14,370,000	-
Grants from County Government	-	-
Donations in Kind	-	-
<b>Total</b>	<b>14,370,000</b>	-
<b>c) Expenses incurred on behalf of related parties</b>		
Payments of Salaries and Wages for Employees	4,389,660.00	-

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Description	2021-2022	2020-2021
	Kshs	Kshs
Payments for Goods and Services	17,236,000.00	-
<b>Total</b>	<b>21,625,660</b>	
<b>d) Key Management Compensation</b>		
Directors' allowances	766,000	-
Compensation to Key Management	-	-
<b>Total</b>	<b>766,000</b>	-

**46. Segment Information**

Kapcherop Technical and Vocational College has no segment

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

**47. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (Specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Contingent Liabilities**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Contingent Liabilities</b>		
Court Case against	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**48. Capital Commitments**

<b>Capital Commitments</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Authorised for	-	-
Authorised and contracted for	-	-
<b>Total</b>	-	-

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

**49. Deferred Tax Liability**

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Accelerated Capital Allowances	-	-
Unrealised Exchange Gains/(Losses)	-	-
Revaluation Surplus	-	-
Tax Losses carried forward	-	-
Provisions for Liabilities and Charges	-	-
<b>Net Deferred Tax Liability/(Asset)</b>	-	-
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
Balance at end of the year	-	-

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**50. Events After the Reporting Period**

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

**51. Ultimate And Holding Entity**

The Kapc

herop Technical and Vocational College is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**52. Currency**

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

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**XIX. Appendices  
Appendix 1: Implementation Status of Auditor-General Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Lack of Audit Committee and Internal Audit Function	During prior year audit, we didn't have audit committee and internal audit function but under this financial year we have formed board audit committee and we have outsourced the functions of the internal audit from the sister institution.	Resolved	31/09/2023
2	Lack of Risk Management Policy.	During prior year audit, we didn't have risk management policy but the management have gone a step ahead and we now have a draft copy which is yet to be adopted by the board in the next meeting and will be implemented by the management.	Resolved	31/09/2023
3	Lack of Human Resource Policy.	During last year audit we didn't have human resource policy but we have gone a step ahead and developed a draft human resource policy which will be adopted by the board and implemented by the management.	Resolved	31/09/2023

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**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 entity 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.



**SIMION CHEPLOGOI.  
ACCOUNTING OFFICER.  
KAPCHEROP TECHNICAL AND VOCATIONAL COLLEGE.  
DATE:10/04/2023.**

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**Appendix II: Projects Implemented by (The Entity)**

**Projects**

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

**Status of Projects completion**

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

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1						
2						

**Appendix III- Inter-Entity Confirmation Letter**

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**KAPCHEROP TECHNICAL & VOCATIONAL COLLEGE**

P.O Box 70-30204, Kapcherop  
Phone No. 0792 638 668  
Email: [kapcheroptechnical@gmail.com](mailto:kapcheroptechnical@gmail.com)

Kapcherop Technical and Vocational College


P.o Box 70-30204.Kapcherop

The Ministry of Education Technical and Vocational College wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022				Amount Received by [beneficiary Entity] (KShs) as at 30 <sup>th</sup> June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Capitation (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	19/11/2021		3,592,500	-	3,592,500		
	02/03/2022		3,592,500	-	3,592,500		
	03/06/2022		3,217,500	-	3,217,500		
			-	-	-		
<b>Total</b>			<b>10,402,500</b>	-	<b>10,402,500</b>		

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

**Head of Accountants department of beneficiary Entity:**

**Name: Gladys J Kemboi**      **Sign**       **Date: 23/09/2022.**

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