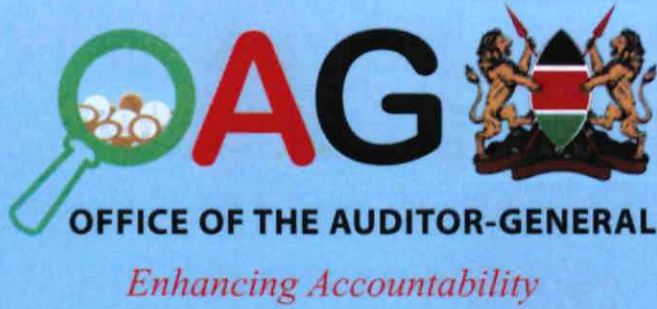
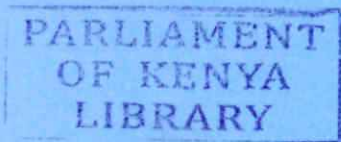


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

ON

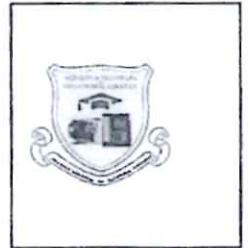
MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2023**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 06 MAR 2025	
DAY: Thursday	
TABLED BY:	Hon. Naomi Waco MP Deputy Majority Party Whip
CLERK-AT-THE-TABLE:	A. Shabeta



Revised Template: 30th June 2023



(MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2023**

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

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Acronyms & Glossary of Terms.....	II
KEY ENTITY INFORMATION AND MANAGEMENT.....	III
COUNCIL/BOARD OF GOVERNORS	XII
KEY MANAGEMENT TEAM.....	XVII
STATEMENT OF FINANCIAL PERFORMANCE	1
STATEMENT OF FINANCIAL POSITION.....	2
STATEMENT OF CHANGES IN NET ASSET	3
STATEMENT OF CASH FLOW.....	4
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT	6
NOTES TO FINANCIAL STATEMENT	8
APPENICES.....	30

1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MTVC	Mungatsi Technical Vocational College
ISA	International Standards for Auditing
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

The Institute's Core Values

1. Professionalism

- MTVC upholds impeccable professional standards in our work and adheres to ethical principles in service delivery.

2. Integrity

- The BOG and employees uphold the highest ethical standards, demonstrating honesty and fairness in all operations.

3. Customer focus

- The ability of MTVC to meet and even exceed customers' expectations.

4. Equity

- We deal with all our stakeholders with great impartiality.

5. Creativity

- MTVC's ability to craft new ideas. Synonymous with innovativeness.

6. Teamwork

- The attitude of BOG members and all employees of MTVC to work together, as one team, towards the realization of the College 's mandate.

The principal activity/mission/ mandate of the entity is to ...

- 1: To develop the priority infrastructure for expansion of technical training programs
- 2: To identify market/industry driven and diverse technical training programs that will lead to raise the inaugural trainee population of 2000 by June 2025
- 3: To offer Quality and Relevant programmes and undertake delivery of technical skills that produce high-end TVET graduates as to achieve vision 2030
- 4: To foster innovations and basic research that will enable enhanced knowledge creation, production and repairs of equipment in our area of training as to meet current and emerging societal needs.
- 5: To adopt and promote innovative and responsive corporate and management systems and structures
- 6: To build and strengthen collaborative networks and partnerships, that, cultivate active industry-based learning, community engagement and national linkages
- 7: To efficiently manage the human, infrastructural and financial resources for optimal sustainability and development of the institution
- 8: To develop and strengthen internal quality assurance that will guarantee continuous improvement of service delivery

2. KEY ENTITY INFORMATION AND MANAGEMENT

Background information

The institution was incorporated/ established under the TVET Act on 26th April 2021. The entity is domiciled in Kenya and has no branches for now. The institute is under the Ministry of Education.

Prior to registration and in pursuit to conform to the provisions of the TVET Act the college was visited by TVET officials in early March 2021 after making an online registration and by filling the relevant forms. The entity is domiciled in Kenya and has no branches in any other place in Kenya. The college is a public entity and domiciled under the Ministry of Education.

Principal Activities

The Institute Vision

To be a centre of excellence in engineering, research and innovations for sustainable development.

The Institute Mission

to provide quality skills training in research and innovation for competitive global outreach.

Institutional Motto

Technical training for sustainable development

The Institute's Philosophy Statement

To provide a well-trained market-oriented workforce that is certified to international standards which contributes to the improved productivity and prosperity of the nation

Key Management

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

Board of governors
Accounting officer/ Principal
Heads of departments

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	-Kenneth Mung'aho Agei
2.	Head of Finance	-James Opiyo
3.	Head of Procurement	-Mercyline Khasungu
4.	Deputy Principal	-Henry Odhiambo Nyongesa
5.	Ag. Registrar	-Samuel Okoth Athiambo
6.	Ag. Dean of students	-Naibei Remmy Sasia

Fiduciary Oversight Arrangements

The business of the board is carried out through full BOG meetings and attendance is crucial for effective decision making. Failure to attend three consecutive meetings leads to cessation of membership. Independent directors are important for good corporate governance and protecting interests of key stakeholders. They can provide objective advice because they are not subject to undue influence from the management team and can provide objective advice and insights to improve decision-making. They also challenge the college in regard to the direction and performance of the college and its existing team. TVET Act 2013, positions all governors as independent members of the Board, headed by the Chairperson and the function of the full board are conducted through committees mandated to handle specific areas of professional interest. Mungatsi TVC Board has a comprehensive structure consisting of committees in line with current legislation and best practices. The Board has four Committees with specific delegated authorities. The Committees are established to support the Board in executing its responsibilities

and obligations. The committees meet at least once every quarter and provide detailed reports and recommendations to the Board that assist in decision making. They are established with Specific terms of reference that are regularly reviewed and streamlined in accordance with terms of reference. The appointment of the Committee members is based on the skills set and experience of individual members. The three current committees put in place are:

Risk and Audit Committee

The committee carries out Audit activities, where MTVC will conduct at least one audit during each quarter of the calendar year. Continuous audit-in lieu of performing annual audit, MTVC may adopt/arrange discrete continuous internal/external audits and such audit will be entrenched in the minutes of the board. Fiduciary audit committee will consist of 3 members where the internal auditor shall be the secretary. The principal is not a member of this committee and a member of any other sub-committee of the BOG shall not be a member of the Risk and Audit committee.

Finance and infrastructure committee The Finance and Infrastructure Committee of the Board of Governors helps the Board fulfill its governance responsibilities for financial planning and major infrastructure projects. The committee's role is to ensure the proper stewardship of the organization's financial, physical, biological and digital assets.

The committee's responsibilities include:

- i. Assisting the Board with its governance responsibilities
- ii. Ensuring the proper stewardship of the organization's assets
- iii. Fulfilling functions delegated by the Board
- iv. Fulfilling functions approved by the Board
- v. Budgeting and Revision of the budgets
- vi. Memorandum of understanding drafting
- vii. Reporting-narrative and financial data and verification of the same
- viii. Other oversight activities and third party information

Human resource, Education and research committee

The Human Resources Committee is responsible for reviewing, and in some cases, approving, policies and practices that are developed and implemented by management. The committee offers a platform for peer consultation, sharing of best practices, experiences, and learning through capacity building opportunities.

Schedule of meetings

MEETING	MEMBERS	DESIGNATION	PROPOSED DATES
Finance committee	i. Prof. Benedict Alala	Chairman	Tuesday 28 /12/22
	ii. Eng. Fredrick Ademba	Member	Tuesday 29/03/23
	iii. Ms. Martha Wekesa	Member	Tuesday 07/06/23
	iv. Mr. Kenneth Agoi	Member	
Education and Research Training committee		Chairperson	Thursday 4 /11/22
	i. Prof. Violet Opata	Member	Thursday 08/01/23
	ii. Dr. Osborne mabalu	Member	Thursday 14 /04/23
	iii. Ms. Martha Wekesa	Member	Thursday 05 /06/23
	iv. Mr. Kenneth Agoi		

Audit Management Committee	Risk	i. Mr.Allan Oswago	Chairman	Wednesday20/08/22
		ii. Ms.Juma-Auditor Bumbe TTI	Member	Wednesday14/12/22
		iii. Mabalu	Member/Auditor	Wednesday20/02/23
				Wednesday17/05/23
Full Board of Governors meeting		1. Prof.Judith Achoka	Chairperson/Governance Leadership\$Management Financial Management Industry Engineering	Saturday 9/7/22
		2. Prof.Violet opata		Friday 14/10/22
		3. Prof.Benedict Alala		Friday 13/01/23
		4. Dr.Oshorne Mabala		Friday26/05/23
		5. Eng.Fredrick Ademba	Chair Audit ICT CDTVET CD TVET Secretary BOG	
		6. Mr.Allan Oswago		
		7. Mr.Stephen Gitonga		
		8. Ms.Martha Wekesa		
		9. Ms. Frida Nekesa		
		10. Mr.Kenneth Agoi		

(customize as per your institution)

(a) **Background information**

The *institution* was incorporated/ established under the TVET Act 2013 Act on 4th April 2021 date. The entity is domiciled in Kenya and has no branches anywhere for now. The institute is under the Ministry of Education. There are 12 departments through which operation of curriculum implementation is executed. The departments are Agriculture and Environmental studies, Building and Civil Engineering, Business, Computing and Informatics, Hospitality and \tourism, Mechanical Engineering, Fashion design and Cosmetology, Sports and Recreation, Guidance and Counselling.

(b) **Principal Activities**

The principal activity/mission/ mandate of the entity is to impart technical skills and knowledge that makes trainees fit well in the industry.

(c) **Key Management**

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

- Board of Governors
- Accounting officer/ Principal
- Management comprising various departmental Heads of the College

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	KENNETH AGOI-
2.	Deputy principal Finance	-HENRY NYONGESA ODHLAMBO
3.	Registrar (s)	-SAMUEL ATHLAMBO OKOTH
4.	Dean of students	-REMMY NAIBEI
5.	Head of Finance	-JAMES OPIYO
		-

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Fiduciary Oversight Arrangements

The business of the board is carried out through full BOG meetings and attendance is crucial for effective decision making. Failure to attend three consecutive meetings leads to cessation of membership. Independent directors are important for good corporate governance and protecting interests of key stakeholders. They can provide objective advice because they are not subject to undue influence from the management team and can provide objective advice and insights to improve decision-making. They also challenge the college in regard to the direction and performance of the college and its existing team. TVET Act 2013, positions all governors as independent members of the Board, headed by the Chairperson and the function of the full board are conducted through committees mandated to handle specific areas of professional interest. Mungatsi TVC Board has a comprehensive structure consisting of committees in line with current legislation and best practices. The Board has four Committees with specific delegated authorities. The Committees are established to support the Board in executing its responsibilities

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Human resource, Education and research committee

The Human Resources Committee is responsible for reviewing, and in some cases, approving, policies and practices that are developed and implemented by management. The committee offers a platform for peer consultation, sharing of best practices, experiences, and knowledge through capacity building opportunities.

Schedule of meetings

MEETING	MEMBERS	DESIGNATION	PROPOSED DATES
Finance committee	v. Prof. Benedict Alala	Chairman	Tuesday 28 /12/22
	vi. Eng.Fredrick Ademba	Member	Tuesday 29/03/23
	vii. Ms.Martha Wekesa	Member	Tuesday 07/06/23
	viii. Mr.Kenneth Agoi	Member	
Education Research and Training committee		Chairperson	Thursday 4 /11/22
		Member	Thursday08/01/23
	v. Prof.Violet Ometa	Member	Thursday14 /04/23
	vi. Dr.Osborne mabalu	Member	Thursday 05 /06/23
Audit Risk Management Committee	vii. Ms.Martha Wekesa	Chairman	Wednesday20/08/22
	viii. Mr.Kenneth Agoi	Member	Wednesday14/12/22
		Member/Auditor	Wednesday20/02/23
	iv. Mr.Allan Oswago		Wednesday17/05/23
	v. Ms.Juma-Auditor Bumba TTI		

Mungatsi Technical and vocational college
Annual Report and Financial Statements for the year ended 30th June 2023

Full Board of Governors meeting	vi. Mabal	Chairperson/Governance	Saturday 9/7/22
	11. Prof.Judith Achoka	Leadership\$Management	Friday 14/10/22
	12. Prof Violet opata	Financial Management	Friday 13/01/23
	13. Prof.Benedict Alala	Industry	Friday26/05/23
	14. Dr.Oshome Mabala	Engineering	
	15. Eng.Fredrick Ademba	Chair Audit	
	16. Mr.Allan Oswago	ICT	
	17. Mr.Stephen Gitonga	CDTVET	
	18. Ms.Martha Wekesa	CD TVET	
	19. Ms. Frida Nekesa	Secretary BOG	
	20. Mr.Kenneth Agoi		

Entity Headquarters

P.O. Box 238-50409

Nambale

KENYA

Entity Contacts

Telephone: (254) 97777684

E-mail: mungatsitvc@gmail.com

Entity Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

Nairobi, Kenya

Kenya Commercial Bank

Busia Branch

Independent Auditors

Auditor General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

Key Entity Information and Management (Continued)

(f) Principal Legal Adviser

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

3.The Council/Board of Governors

REV. PROF. JUDITH Date of Birth: 18-12-1955

ACHOKA



ABRIDGED PREVIEW OF CURRICULUM VITAE

CURRENT POSITION:

Director of Research and post

Graduate since 2004-to date.

Career Progression: Assistant Lecturer (1992); Lecturer (1994); Senior Lecturer

(2008); Associate Professor (2012); Full Professor of Education (2019).

Professional Bodies – 04

Professional Experience: From 1978 to-date been in the teaching fraternity; held various positions including Founder Chair of Department;

Director of a study centre to Director of Research and

Postgraduate studies/

Graduate Student Supervisor: Since 1996 to-date. Completed works: 8 Doctorates and 7 Masters.

PROFESSIONAL MEMBERSHIP

YEAR	INSTITUTION
2016	Kenyan Universities Quality Network (KNQN)
2015	Kenya National Academy of Sciences (KNAS)
2014	Education Management Society of Kenya (EMSK)
2004 DAAD	Chairperson-Mungatsi TVC Board of Governors 2021-2023

Prof. VIOLET N OPATA Date of Birth: 1963



Associate Professor of Educational Communication and

Currently teaching at Moi University, school of Education, dept of Curriculum Instruction and Educational Media (CIEM). Professor Violet is a holder

of Ph.D (2005) and MPhil degrees (1998) respectively from Moi University, and a Ed degree (1992) from Kenyatta University.

Chairperson-Human Resource Education and Research Committee: Mungatsi TVC 2021-2023

**DR. BENEDICT ONDIEK
ALALA**



Doctor of Philosophy in Business
Management-(Finance Option)

Kenya Institute of Management

September 2007-September 2008

Post-graduate Diploma in Purchasing and
Supplies Management

Moi University

December 2005

MBA (Finance and Banking Option)

Maseno University

December 2002

Bachelor of Education Arts (Economics and
Accounting)

United Nations Development Programme

July 2006

Ebenezer College, Kerugoya-Kutus

**Chairman-Finance Committee: Mungatsi
TVC 2021-2023**

November 2001

Certified Public Accounts (CPA) PART 1,
Kenya Accounts and Technician
Certificate Part 1 and 11.CPA FINALIST

DR. OSBORNE MABALU



PhD in Alternative Medicines from Indian Academy of
Of, Accupressure Science 2017 currently teaching at Maseno
University.

A member of the Human resource Education and Research.

MR.KENNETH
MUNG' AHO AGOI



Date of Birth: 11-11-1967

Principal

Mungatsi Technical and Vocational College

BOG Secretary-Mungatsi TVC 2021

Doctor of Philosophy in Finance

Masinde Muliro University of Science and Technology; 2018
ongoing

ENG.FREDRICK
ADEMBA



DATE OF BIRTH: 04/04/1970
EDUCATION BACKGROUND

- **Bachelor of Arts, Project management and leadership (BML)** - Management University of Africa; May 2017 to date.
- **Bachelor of Science, Mechanical Engineering**-University of Nairobi; November 2002 to September 2007.
- **Diploma in Mechanical Engineering Technician**- Kenya Industrial Training Institute; September 1992 to November 1993
- **Diploma I in Mechanical Engineering Technician**- Kenya Industrial Training Institute for Mechanical Engineering; May 1991 to July 1992

Kenya Certificate of Education- Bukhalalire Secondary school;
January 1987 to December 1990

MR. STEPHEN NGURE
GITONGA. **Year of Birth:** 1987



Doctor of Philosophy in Information Technology - Masinde Muliro University of Science and Technology; 2020 ongoing

Master of Science in Information Technology - Masinde Muliro University of Science and Technology; 2019

African Advanced Level Telecommunications Institute- CCNA; 2016

Chairman-Risk and Audit Committee-Mungatsi TVC 2021-2022



MR. ALLAN OSSAGO

Date of birth-1956

Bachelor of commerce-University of Nairobi.

Management courses locally in USA. Insurance executive several companies in Kenya and Uganda .

Member of boards in several schools. Retired.

Chairman-Risk and Audit Committee-Mungatsi TVC 2022-2023

4. KEY MANAGEMENT TEAM

Kenneth M. Agoi



Kenneth M. Agoi
Trainer in Finance
Holder of MBA Finance
From Masinde Muliro
University of Science and
Technology 2017
Holder of Bachelor of
Education from Kenyatta
University 1991
Pursuing PhD in Financa at
Masinde Muliro University
of Science and Technology
Represents TVET on the
Kenya Music Festival
executive committee

Principal

**Henry Odhiambo
Nyongesa**



Deputy Principal

Trainer in Bulding
Technology
Henry Odhiambo Nyongesa
Holder of Higher Diploma in
Entrepreneurship, Diploma
in Technical Education and
Diploma in Building
Technology

Samuel Okoth Athiambo Ag. Registrar



Trainer in Refrigeration and
Air conditioning
Holder of Bachelor of
Technology in Mechanical
Engineering-2018
Currently finalizing Masters
in sanitation engineering

James Opiyo



Finance Officer

Degree in Finance
MBA-Finance
CPA 'K'

Mercyline Khasungu

Procurement Officer



BA in Logistics and Supply Chain Management, KISM.

CHAIRMAN'S STATEMENT

The BOG was appointed by the Cabinet Secretary for Education in October 2020 as the inaugural board for Mungatsi Technical and Vocational College. The Board was inaugurated on the college grounds in December 2020. Our mandate is oversight to ensure focus on objectives set in the strategic plan. The BOG strictly focuses to develop Mungatsi TVC through a strategic plan whose strategic objectives include. -

- 1: To develop the priority infrastructure for expansion of technical training programs
- 2: To identify market/industry driven and diverse technical training programs that will lead to raise the inaugural trainee population of 2000 by June 2025
- 3: To offer Quality and Relevant programmes and undertake delivery of technical skills that produce high-end TVET graduates as to achieve vision 2030
- 4: To foster innovations and basic research that will enable enhanced knowledge creation, production and repairs of equipment in our area of training as to meet current and emerging societal needs.
- 5: To build and strengthen collaborative networks and partnerships, that, cultivate active industry-based learning, community engagement and national linkages
- 6: To efficiently manage the human, infrastructural and financial resources for optimal sustainability and development of the institution.

The college is equipped in Refrigeration and Air Conditioning and I credit the Government of Kenya for the great effort and financial commitment. The board also thanks the member of parliament for Nambale constituency Dr. Bunyasi Sakwa and Nambale CDF for their closeness and support to the baby Mungatsi TVC. A number of proposals have been made to enable the NG-CDF of Nambale to expand the tuition facilities and we are impressed to disclose that their intended support to construct institutional management tuition prefab will go a long way to leveraging MTVC to greater heights of excellent TVET programs.

The college faces challenges in implementation of market driven courses in Hairdressing and Beauty therapy, Construction management, fashion design and garment making, motor vehicle mechanics, agribusiness and electrical engineering. Our humble request to the Kenya government to support and help actualize the dream of the many trainees who are already enrolled in such courses and those who will come in future.

In a nutshell, I see hope in the committed team of the BOG members because it is made up of scholars. It is my wish that God makes us speak more through actions than words.



Judith, SK Achoka
Chairperson BOG

REPORT OF THE PRINCIPAL

In a modern dynamic society, vulnerability to unemployment denies our youth the luxury of good economy and sustainable lives. The society is crowded with a large percentage of untrained school drop outs at all levels. This calls for mitigants to keep this crowd occupied. We at Mungatsi Technical and Vocational College (MTVC) are one of the players in the Kenyan Technical Education pursuing to engage/ occupy the youth with market driven trainee skills that will transform them into job makers and not job seekers.

Mungatsi TVCs birth of an idea was in 2016 when the Nambale CDF procured 11 acre piece of land one kilometer away from Mungatsi primary school. In the neighborhood lie Madende primary and secondary schools with Mungatsi Primary School to its North. In 2017, an additional 3 1/2 acre parcel was procured making a total of 14 1/2 acres of total land ownership to date. Ground breaking to produce a magnificent one storeyed structure that houses tuition rooms, offices and workshops under one roof. The college was mentored by Bushiangala Technical Training Institute (located in Kakamega County).

A lot of machines from china were supplied to the college by the Kenya Government through AVIC INTL in the specialization of Refrigeration and air conditioning which witnessed lucrative courses of Refrigeration and air conditioning, and other engineering courses together with soft skills courses in a bid to help the Government realize the big 4 agenda and vision 2030. MTVC is expected to foster acquisition of market driven skills and realize 100% transition rate from basic education. The college is located at 0.4 degrees North of the Equator and 34 degrees East. We are Center of excellence in Refrigeration and Air Conditioning. Other courses offered include: Refrigeration and Air Conditioning, Electrical and Electronics Engineering, Automotive Engineering, Building Technology, Mechanical Engineering Plant option, Information Technology, Business Management, CPA, Diploma in Accounting (ATD-KASNEB), Supply Chain Management, Store Keeping, Secretarial Studies, Community Development and Social work, Agriculture, Food and Beverage, Hair dressing and Beauty therapy and Fashion and design. All the courses run from artisan certificate to diploma. The main examining bodies are the Kenya National Examinations Council, CDACC and NITA. It is expected that trade tests will be conducted by the institution to NITA candidates.

The institution anticipates receiving at least 500 students by end of the first year of its registration and expanding thereafter. The institution will create employment for locals and other Kenyans at large and it is therefore expected to catalyze development and growth of the constituency and Busia County at large.

The college also received 80 chairs for trainees, office furniture and equipment from the Ministry of Education. The Nambale NG-CDF undertook to fence and secure a gate and, through the water ministry contracted Lake Victoria North water services deepened a borehole which will provide adequate supply of water to the college and the surrounding community for generations.

However, the College is faced with a number of challenges including:

Library text books: Being new we start from scratch hence lack any text books that trainers will require for studies.

1 Lathe machine to support introduction of hands on courses that complement air conditioning machines.

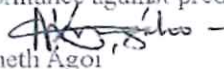
(iv) 9-acre bush part of which has been cleared and WIP to clear

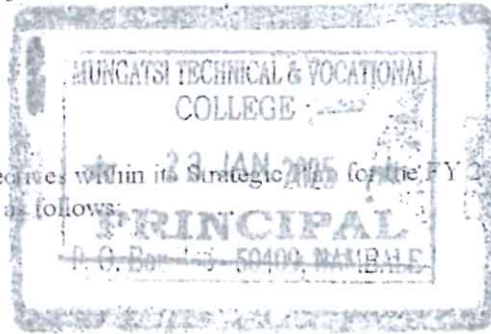
v. Land scaping costs-since the college land was a murram mine for constructing the Mumias-Busia road in 1990s a depression was left which the CDF Nambale are preparing to fill.

iv. Inadequacy of buildings to provide sufficient classrooms for trainees in this era of COVID 19. More room will be needed to provide a stand-alone library, administration block, trainer's quarters and hostels.

v. Lack of Desktop computers to support training of ICT which is cross-cutting in all courses.

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.


Kenneth Agoi
Principal/BOG Secretary



Strategic pillars

MTVC has 8 strategic pillars and objectives within its Strategic Plan for the FY 2019/2020-2023/2024. These strategic pillars are as follows:

- Pillar 1: infrastructural development
- Pillar 2: training programs
- Pillar 3: delivery of technical skills
- Pillar 4: Knowledge creation
- Pillar 5: Management structures
- Pillar 6: allocation of resources

MTVC develops its annual work plans based on the above 8 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The MTVC achieved its performance targets set for the FY 2019/2020 period for its 8 strategic pillars, as indicated in the diagram below:

Statement of Performance against Predetermined Objectives

Mungatsi TVC develops its annual work plan on the basis of the key pillar of infrastructural development, training programs, delivery of technical skills, knowledge creation, management structures and allocation of resources while observing the tenets of public financial management and assesses its performance on quarterly basis. MTVC achieved its targets for the period ended 30th June 2023.

MTVC 6 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2023. These strategic pillars are as follows:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: INFRASTRUCTURAL DEVELOPMENT	1: To develop the priority infrastructure for expansion of technical training programs	Number of courses mounted Student/trainee enrolment BOG minutes Number of trainers hired	BOG nomination BOG inauguration BOG meetings held Advertisements and road shows Hire of support and teaching staff	BOG already inaugurated BOG meetings held and attended in the mentoring institution Support staff hired
Training programs	2: To identify market/industry driven and diverse technical training	Number of courses mounted Minutes for hiring trainers	Identification of supplier for designing logo, brochures.	Ricklink supplier identified Critical

	programs that will lead to raise the inaugural trainee population of 2000 by June 2025	Sourcing curricular/syllabi	receipt books etc Meeting holding to prepare for opening	documents prepared and printed by supplier Meetings held
Delivery of technical skills	3: To offer Quality and Relevant programmes and undertake delivery of technical skills that produce high-end TVET graduates as to achieve vision 2030	Meetings held	Research about the needs of the industry Set up Quality assurance unit	Meeting minutes available
Knowledge creation	4: To foster innovations and basic research that will enable enhanced knowledge creation, production and repairs of equipment in our area of training as to meet current and emerging societal needs.	2 BOG Meetings	Meetings held	Minutes of Board and Staff meeting minutes
Management structures	5: To adopt and promote innovative and responsive corporate and management systems and structures	BOG meetings TVETA organized meetings attended Invitation letters to workshops	Attending BOG meetings Attending TVETA and KATTI organized seminars	Organogram in place Letters of invitation available Receipts of registration in place
Collaborations	6: To build and strengthen collaborative networks and partnerships, that, cultivate active industry-based learning, community engagement and national linkages	MOUs BOG meetings scheduling Requests for afforestation programs from Equity bank	Preparation of MOUs Tree planting	MOU documents in place 1000 seedlings supplied and planted

<p>Management of resources</p>	<p>7: To efficiently manage the human, infrastructural and financial resources for optimal sustainability and development of the institution</p>	<p>Grants from the MOE Minutes for Budget preparation Preparation of strategic plan BOG minute for hiring of key staff in finance</p>	<p>Actual budget preparation Advertise for the posts of Accountant and procurement officer</p>	<p>Budgets delivered to the MOE Strategic plan available Adopted Prequalification of suppliers from mentor and sister institutions. Hiring of Ag. accountant and Registrar appointed QAS appointed</p>
<p>Internal Quality Assurance</p>	<p>8: To develop and strengthen internal quality assurance that will guarantee continuous improvement of service delivery</p>	<p>QAS office Appointment of registrar Preparation of academic policy</p>	<p>Setting up QAS office Setting up the organogram</p>	

MTVC develops its annual work plans based on the above pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2022/2023 period for its 8. strategic pillars, as indicated in the diagram below:

MTVC ANNUAL WORKPLAN FOR 2022/2023

S/No	TARGET	ACTIVITIES	TIME FRAME	OUTPUT	PERFORMANCE INDICATOR	REQUIRED RESOURCES	ESTIMATED COST (KSHS.)	ACTORS
1.	Financial Stewardship & Discipline	Absorption of allocated funds by GoK	30th June 2023	Allocated funds absorbed	Financial documents such receipts, payroll, LPOs and vouchers	Personnel Stationeries computers	2,000,000	Principal Finance officer Procurement officer
		Absorption of externally mobilized resources	30th June 2023	Externally mobilized resources absorbed	Financial documents such receipts, payroll, LPOs and vouchers	Personnel Stationeries computers	6,163,970	BOG Finance officer Procurement officer
		Generation of revenue	30th June 2023	Revenue generated	List of sources	Personnel Stationeries computers	24,677,930	BOG

		Clearance of pending bills	30th June 2023	Pending bills cleared	Financial documents such receipts, payroll, LPOs and vouchers	Personnel Stationeries computers	493,500	Principal Finance officer Procurement officer
2.	Service Delivery	1. Display the charter prominently at key service delivery points in both English and Kiswahili, in the prescribed size of at	30th September 2022	Service charter strategically displayed in both Kiswahili and English	Timely service delivery	Personnel Stationary Computer Time	30,000	Principal Ombudsman HODs

	least 3' X 6' with clear font size of the contents						
	2. Cascade the Charter to Departments	30th November 2022	Departmental service charter cascaded	Timely service delivery Reduced customer complaints	Personnel Stationeries computers Time	13,500	HODs
	3. Establish the office of the ombudsman	30th June 2023	Office operational	Complaints received and resolved Letters of appointment	Personnel Stationeries computers Room Office furniture	60,000	BOG Principal
	4. Sensitize	30th	Staff and	Quality services	Personnel	60,000	Principal

		staff and customers on service delivery charter	November 2022	customers sensitized	provided Customer's satisfaction enhanced	Stationeries		Ombudsman
		5. Ensure conformity with the commitments and standards in the charter by establishing compliance mechanisms by maintaining records on service delivery	30th June 2023	Total conformity and compliance with commitments and standards in the service charter	Minimal complaints from the customers Accountability enhanced	Personnel stationery	20,000	Ombudsman IQAS
3.	The <Big	1. Implement Competence	30th June 2023	CBET course	Approved syllabus	Personnel	55,000	Principal HOD

	Four= Initiatives	y Based Education and Training (CBET) Courses		mounted	Trainees pursuing CBET courses	Stationery Training material s		
		2. Enhance the quality of practical training in mechanical engineering	30th June 2023	Quality of practical training in mechanical engineering enhanced	Chairs fabricated by students. Increased enrolment	Personnel Fabrication machine and material s	100,000	Principal HOD Mechanical engineering
4.	Vision 2030 Flagship Project/ Programmes	1. Increasing Gross Enrolment	30th June 2023	Increased gross enrolment	Records of new enrolled trainees Courses enrolled for	Personnel stationery	60,000	Principal Deputy principal Registrar Procurement

							officer
	2. Increase Enrolment in Science, Engineering and Technology (SET)	30th June 2023	Increased enrolment in SET	Records of new enrolled trainees	Personnel stationery	60,000	Principal Deputy principal Registrar Procurement officer
	3. Increasing Enrolment of Female Students in SET	30th June 2023	Increased enrolment in female students in SET	Records of new enrolled trainees Internal bursaries	Personnel stationery	80,000	Principal Deputy principal Registrar Procurement officer
	4. Establishing research unit	31st March 2023	Research unit established	Appointment letters	Personnel stationery Room	100,000	Principal, PCC
	5. Enhancing Collaborate	30th November	Established collaborative	No. of collaborating		200,000	Principal

	on with industries and partners	2022	N	institutions Appointment letters	Personnel Stationery room		ILO
5. Post Covid-19 Prevention strategies	1. Establish E-learning Programs	30th June 2023	E-learning programmes established	Number of online programmes offered Reduced congestion at the college	Personnel stationery Power	100,000	Principal Finance officer
	2. automation of services Implement Electronic Payment of Fees by Students	31st March 2023	Fees paid electronically	Electronic receipts Reduced congestion at the finance office	Personnel ICT infrastructure	80,000	Principal Dean of students Procurement officer
6. Programmes/Projects	Levelization of college sports	31st March 2023	College sports field	List of trainees participating in	Personnel	300,000	Principal

projects aligned to SDGs & SPSs	field		levelized	various sports Number sporting grounds established			CDF PMC
	Fabrication of a Training Shade	30th June 2022	Training shades fabricated	List of trainees using the training shades	Personnel fabrication material s	100,000	Principal Procurement officer Finance officer
	Construction of training restaurant	30th June 2022	Training restaurant constructed	Work drawing Procurement records	Personnel Construction material s	1,800,000	BOG CDF PMC Procurement officer
8. Implementation of Presidential	Increasing forest coverage	30th June 2023	Forest coverage increased	2000 trees planted	Personnel Tree seedling s	20,000	Principal HOD environment

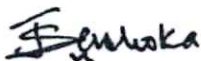
	Directives					Manure		
		Fast-Tracking Implementation of the National Education Management Information System (NEMIS)	30th June 2023	National Education Management Information System (NEMIS) implemented	Reduced paper work	Personnel Stationery ICT infrastructure	300,000	Principal Deputy principal Registrar Finance officer Procurement officer
9.	Access to Government Procurement Opportunities (AGPO)	Setting aside 30% of the annual procurement budget for special group	30th September 2022	30% of the annual procurement budget set aside	List of prequalified suppliers	Personnel Stationery	100,000	Principal Procurement officer Tender committee
10	Promotion	Setting aside 40%	30th	40% of the	List of local	Personnel	100,000	Principal

	Procurement Officer Tender committee	Procurement of the annual September annual procurement 2022 budget set a side local content									
11	Cross Cutting	1. Asset management 2023	30th June Assets managed	List of assets	Personnel stationery	100,000	Principal Deputy principal Finance officer IQAS				
		2. Coordination of Youth industrial attachment/internship/apprenticeship	30th June Attachment Trainees attached to various industries and organizations	Trainees attached to stationery	Personnel stationery	80,000	Principal ILO				
		3. Competency development	30th September developed trainees	Competent trainees	Personnel	70,000	Principal Deputy				

		2022			Stationeries		Principal Registrar
	4. Establishing Disability mainstreaming committee	30th June 2023	Committee established	Appointment letters Number of staff trained	Personnel stationeries	50,000	Principal Deputy principal G \$ C officer
	5. Establishing Gender main streaming committee	30th May 2023	Committee established	Appointment letters Number of staff trained	Personnel stationery	50,000	Principal Deputy principal G \$ C officer
	6. Prevention of Alcohol and Drug Abuse	30th June 2023	Abuse of alcohol and drug abuse prevented	Baseline survey conducted Reduced number of trainees using drugs Appointment letters Number of staff	Personnel stationery	70,000	Principal Deputy principal G \$ C officer

				and families reached			
	7. Prevention of HIV infections	30th June 2023	HIV infection prevented	Appointment letters Number of condoms distributed Number of people screened	Personnel Condoms	70,000	Principal Deputy principal G \$ C officer
	8. Establishing Safety and security measures	30th May 2023	Safety and security measures established	Number of staff and trainees trained. Adherence to safety and security measures Reduced number of accidents Number safety and security	Personnel stationery	30,000	Principal Registrar Dean of students

				billboards erected			
		9. Establishing National cohesion and values committee	30th June 2023	National cohesion and values committee established	Peaceful co-existence Appointment letters	Personnel stationery	50,000 Principal Deputy principal G \$ C officer
		10. Establishing Road safety committee mainstreaming	30th June 2023	Road safety committee established	Appointment letters	Personnel Stationery	40,000 Principal Registrar Dean of students
		11. Corruption prevention	30th June 2023	Corruption prevented	Appointment letters Reduced cases of corruption	Personnel Stationery	30,000 Principal Ombudsman Deputy principal

Approved by 

 Prof. Judith Achoka
 BOG, Chairperson

CORPORATE GOVERNANCE STATEMENT

MTVC operates on corporate governance pillars. It involves balancing interests of many stakeholders in the college. Good corporate governance forms a frame work for attaining colleges objectives, it encompasses practically every sphere of management from action plans and internal controls to performance measurement and corporate disclosures. All BOG members are duly nominated and presented to the appointing authority (the Cabinet Secretary Ministry of Education and are all deemed to be executive, headed by the Chairperson. Other critical agenda are run through 3 committees viz, Finance and infrastructure, Human Resource Education and Research and Risk and Audit committee.

Key Management Team

The College had a very qualified management team comprising of the Finance officer and a Procurement officer who played an important role towards ensuring internal controls. Their name and qualification and job description are as follows;

S/ No	OFFICER'S NAME	JOB TITLE	ACADEMIC QUALIFICATION	PROFFESS IONAL QUALIFIC ATION	MEMBESH IP TO PROFESSI ONAL BODY	PHOTO
1.	JAMES OPIYO	FINANCE OFFICER	MBA-FINAN CE	CPA 'K'	27909	
2.	MARCELINE KHASUNGU	PROCUREMENT OFFICER	BA-LOGISTI CS& SUPPLY CHAIN	-	KISM/8106 9	

We, provided an Almanac giving details of meetings scheduled and executed during the targeted period. The BOG members were well disciplined and attended the meetings well. We hereby undertake to infuse the Almanac into the report under appendices.

succession plan

This was the inaugural Board and all members apart from a nominee from the Governor-Busia County were appointed by the CS for Education on the same date hence their term ended on the same date. We alerted the Ministry of Education through the County Director TVET, Bungoma-Busia Counties about the expiry of the Board in time.

Existence of a board charter

A board charter outlining the roles, responsibilities, and processes of a board of directors is available and customized for use. It's a crucial governance tool that serves as a roadmap for BOG members to follow while executing their mandate.

A board charter can include:

- i. The composition of the board
- ii. The duties of the board and each member
- iii. The authority of the board and each member

- iv. The procedures the board must follow
- v. Checks and balances
- vi. Performance measures
- vii. Conflict resolution methods
- viii. The frequency and methods of financial reporting
- ix. The frequency and methods of board meetings
- x. The disclosure of information to shareholders

Process of appointment and removal of council members

We draw the mandate of roles and functions of the Board from Mwingozo. We use it from time to time when executing the BOG agenda and decision making.

Induction and training,

Our first board got inducted at Tom Mboya labour college as evidenced by the program available in the appendix section attached.

Board member performance

Evaluation of BOGs for TVCs is done by the governance division of the State Department for TVET. At our level we only managed to conduct BOG member self-evaluation whose average we present in a report form.

Board remuneration

A Board remuneration's policy is available as customized from circulars received from the state department for TVET. Mungatsi TVC was categorized as a TVET institution with less than 1,000 trainees hence the ceiling of BOG allowance was set to a 10,000 shillings figure with a travel compensation of 2,000 shillings at the time with the chairperson receiving 12,000 shillings with a travel allowance of 3,000 shillings. This has however been reviewed to tally with government rates as stipulated by the SRC.

MANAGEMENT DISCUSSION AND ANALYSIS

The financial statements were analysed by board of governors on 18th September 2023. The statements portrayed true view of the college operations and receipts were true receipts, expenses reflected total expenses incurred during the year. They noted the college has limited sources of income and this limited its operations. They recommended the College to vigorously invest in Income Generating Activities in order to supplement the little finances provided by the government through Capitation and HELB funding.

Environmental and Sustainability reporting statement

Sustainability strategy and profile -

Mungatsi TVC is a public entity and therefore receives funding from fees paid in by trainees and grants from the government. Therefore, the funds received are spent to provide services to present trainees while caring for the future generation. The equipment, tools, lecture rooms etc procured today will serve into the foreseeable future. Resources thus obtained need to be used prudently due to their scarcity.

Political environment is shaping up and what was viewed to flow from the central government is now devolved hence much as the government centrally administers capitation and helb funding, the NG-CDF and the county governments are gaining interest in TVET funding. Other partners like the KCB are also patronizing certain programs especially the Ajira program where they engage trainees with NITA courses to help operationalize transfer of technology and skills to the poorest of the poor.

To this end, MTVC, while making projections and budgeting strives engage partners to attract funding from the above-mentioned stakeholders under the public private partnership (PPP) model. To supplement scarce resource funding, MTVC aims to undertake income generating units IGU to create more income for future expansion.

Environmental performance

MTVC hinges its environmentalism on the National environmental policy, 2013 of the republics of Kenya. The policy making process draws into the Sessional Paper No. 6 of 1999 entitled Environment and Development. The legislative process gave forth the Environmental Management and Coordination Act (EMCA) No. 8 of 1999 as Kenya's first framework environmental law. Both the Sessional Paper and the Act added to a large number of existing sectoral laws and policies on various facets of the environment such as water, forest and minerals. This has created a diffuse system of environmental laws and policies, some of whose provisions are not in harmony making them ill-suited to aid the pursuit of sustainable development objectives as set out in the Vision 2030. The promulgation of The Constitution of Kenya 2010 and other new developments like climate change marked an important chapter in Kenya's environmental policy development. Hailed as a 'Green' Constitution, it embodies elaborate provisions with considerable implications for sustainable development. These range from environmental principles and implications of Multilateral Environmental Agreements (MEAs) to the right to a clean and healthy environment as enshrined in the Bill of Rights. Chapter V is entirely dedicated to land and environment. It also embodies a host of social and economic rights which are of environmental character such as the right to water, food and shelter, among others.

It is the responsibility of the government through the ministry responsible for environmental issues to ensure that policies are reviewed and formulated to meet the aspirations of the Constitution and emerging issues in the management of the environment for prosperity. Such a policy should aim at providing a holistic framework to guide the management of the environment and natural resources in Kenya. It should further ensure that environment is integrated in all government policies in order to facilitate and realise sustainable development at all levels. This would help promote green economy, enhance social inclusion, improve human welfare and create opportunities for employment and maintenance of a healthy ecosystem.

We at Mungatsi TVC support the National environmental policy through annual tree planting of at least 1,000 seedlings. Our aim is to green the environment sustainably by planting trees to provide shade, fruits and moderate weather as well as implements the Presidential directive on enlargement of area under cover of trees.

Employee welfare

Mungatsi TVC believes that hiring qualified individuals to fill positions contributes to the overall success of the college. Each employee is hired to make significant contributions to the college. In hiring the most qualified candidates for positions, the following process is to be followed.

Hiring Process and Procedures

Personnel requisitions

Personnel requisitions must be completed to fill positions declared vacant. Requisitions must be initiated by the department supervisor/manager, approved by the college principal and then forwarded to the human resource (HR) department whom currently is the Head of department for the respective department. This is then escalated to the human resource, education and training subcommittee of the board of governors that conducts interviews for hiring the personnel.

Personnel requisitions should indicate the following:

- i. Position title.
- ii. Exempt or nonexempt status of the position.
- iii. Reason for the hiring.
- iv. Essential job functions and qualifications (or a current job description may be attached).
- v. Any special recruitment advertising instructions.
- vi. Intake meetings

The principal will arrange a meeting with the hiring manager/HOD to conduct an intake meeting prior to posting a job opening to learn more about the position, the requirements and the profile of the ideal candidate. The recruiting strategy will be set during this meeting and expectations established with all the key stakeholders.

Internal applicants

Current employees with a satisfactory employment status may apply for internal job openings. The consents of the employee's manager and the HOD department may be necessary for employees with less than one year of service with the college.

All applicants for a posted vacancy will be considered based on their qualifications and ability to perform the job successfully. Internal candidates who are not selected will be notified by the Principal/HOD department.

Interview process

The Head of department and the hiring principal will screen applications and resumes prior to scheduling interviews. Initial interviews are generally conducted by the HR subcommittee department and the hiring manager using behavior-based interview questions and a structured interview process. Candidate evaluation forms will be completed after each interview and retained with the application.

The principal department will notify applicants who are not selected for positions at the MTVC/college.

Reference checks

HR subcommittee will conduct professional reference checks and employment verification on the top candidates based on the results of the candidate evaluation forms completed by the interviewers. A minimum of three professional references are required from each candidate.

Job offers

After a decision has been made to hire a candidate, an offer will be made contingent on the satisfactory completion of required background checks and testing. Background checks will vary depending on the position and may include criminal history, credit history, driving record, drug testing or any other relevant information for the job.

Internal applicants must complete required background checks or tests not previously completed.

Once the HR subcommittee receives satisfactory results from all required background checks and tests, candidates will be provided with a final job offer. If a candidate fails to accept an offer of employment within 7 calendar days, the offer may be rescinded by the college.

The Importance of Meaningful Stakeholder Engagement to Mungatsi TVC

Mungatsi TVC operates on the premise that 'those groups who can affect or are affected by the achievements of an college's purpose' should be given the opportunity to comment and input into the development of decisions that affect us. We operate in a societal dispensation where if they are not actively sought out, sooner or later they may demand to be consulted.

Situations are envisaged where the college does not actively engage but are forced to do so by the demands of society as a result of a crisis situation. The college is bound to employ crisis- management techniques, and are often forced into a defensive dialogue with stakeholders in case problems arose, leading to a significant and long- lasting loss of reputation. This type of interaction is often antagonistic and damaging of trust.

Aware of the impending scenario, meaningful engagement occurs when college, aware of the changes in the wider society and how they relate to organisational performance, chooses to establish relations with stakeholders as a means to manage the impact of those changes, such as those created as a result of global economic downturn and social misgivings. MTVC will either seek to mitigate risk through the use of stakeholder management, or exploit these new trends to identify and establish new opportunities through the use of meaningful stakeholder engagement; the latter is characterised by a willingness to be open to change.

Occupational safety and health at the college

Mungatsi TVC integrates occupational safety and health (OSH) into the educational system as an essential aspect of the development of risk prevention culture. This allows everybody, trainers and trainees alike, to learn how to live and work in a safe and healthy environment. The educational staff must become aware of the risk factors in their working environment. They must also become acquainted with the legal regulations on safety and health at work in order to prevent accidents at the workplace. An educational institution must be a safe and healthy working environment for all the staff, trainees and other persons involved with it to make it suitable for the teaching and learning process.

Market place practices-

MTVC observes is in business and undertakes to offer superior value to its customers by:

Responsible competition practice-

Anti-corruption-The college strives to ensure that the best vetted firms are given a chance to transact business without arm-twisting the supplier or asking for kickbacks. The prices for items are those captured officially in the official contract documents.

Political involvement-The College encourages and adheres to non-partisan involvement with politicians always maintaining the rule of law while failing to ascribe to political patronage

Fair competition and respect for competitors-During procurement process, the college ensures strict adherence to sound procurement practices and guidelines. The college advertises widely and gives every applicant a chance to win.MTVC does not share supplier information with any third party unless given permission by the particular supplier.

Maintaining good business practices-MTVC strives to ensure that its procurement function is aligned with the broad priorities by objectively and legally collaborating with suppliers. The college ensures sound supplier relations, communicates clearly and consistently on the basis of equality and equity. The college strives to use the most appropriate and affordable technology to the suppliers. As much as is practical, the college honours contractual obligations as described by law and if any case the financials are not good, the suppliers are informed early enough.

Ensuring ethical marketing practices-MTVC ensures transparency, honesty and credibility of and with the information it gives to customers. The college also ensures that th customer information is kept under key and lock. The college addresses customer complaints promptly and objectively and discourages its staff from giving unverified or exaggerated information so as to unfairly exploit consumer emotions.

Community Engagements-

MTVC has partnered with the community by forming a joint water resource management committee that will translate into a community-based organization

REPORT OF THE BOARD OF GOVERNORS

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the entity's affairs.

Principal activities

The principal activities of the entity are (continue to be) Provide adequate and appropriate skilled Artisans, Craftsmen, Technicians and Technologists at all levels of the economy through practical training and work experience;

Transfer technology continuously through collaborative approach between TVET institutions and the relevant industries;

Results

The results of the entity for the year ended June 30 are set out on page one.

The members of the Board /Council who served during the year are shown on page v. During the year 2022/2023 no director retired/ resigned and the principal requested the Governor of Busia County to nominate and send to the PS a representative for the county on Mungatsi TVC Board and it is expected that she will be s appointed with effect from 2021 October

Auditors

The Auditor General is responsible for the statutory audit of the entity in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. Certified Public Accountants were nominated by the Auditor General to carry out the audit of the entity for the year/period ended June 30, 2023 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

STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act,2013 - require the council members to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that year/period. The council 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 council members are also responsible for safeguarding the assets of the entity.

The council members 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 (period) ended on June 30, 2023. 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 council 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

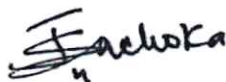
with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012

The council members are of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The council members 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.


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

Approval of the financial statements

The entity's financial statements were approved by the Board on 18TH September 2023 and signed on its behalf by:



Chairperson of the Board

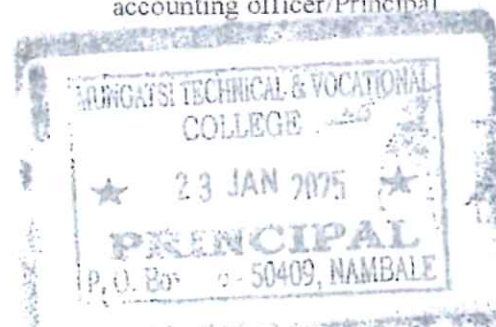


accounting officer/Principal

Report of the Independent Auditor
Independent Auditor's Report

OAG
NAIROBI

Opinion



I have examined the financial statements of Mungatsi TVC, which comprise the balance sheets as of June 30th, 2023 and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mungatsi TVC as of June 30th, 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted under the Kenya laws.

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the ISA. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am independent and functionally report to the BOG of Mungatsi TVC and administratively to the Principal, and have fulfilled other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for this audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Kenya, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MTVC's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with IAS, I:

Use professional judgment and exercise professional scepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MTVC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MTVC's ability to continue as a going concern within one year after the date that the financial statements are issued.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and internal control related matters identified during our audit.

MR. Chiluba Brian
28/07/2023

Internal Auditor's MTVC

REPUBLIC OF KENYA

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Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of Mungatsi Technical and Vocational College set out on pages 1 to 29 which comprise the statement of financial position as at 30 June, 2023 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 have been audited on my behalf by Injete Imbuye & Associates, auditors appointed under Section 23 of the Public Audit Act, 2015 and in accordance with the provisions of Article 229 of the Constitution of Kenya. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

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 Mungatsi Technical and Vocational College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Property, Plant and Equipment Balance

The statement of financial position and as disclosed in Note 19 to the financial statements reflects property, plant and equipment balance of Kshs.328,861,400. The balance includes land, and plant and equipment valued at Kshs.7,600,000 and Kshs.255,000,000 respectively. However, ownership documents for the land and valuation reports for land, and plant and equipment were not provided for audit review.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.328,861,400 could not be confirmed.

2. Unconfirmed Capital Fund Balance

The statement of changes in net assets reflects capital fund balance of Kshs.323,687,972 as at 30 June, 2023. However, the statement reflects an opening balance of Kshs.342,909,580 as at 1 July, 2022 while the audited financial statements for the year ended 30 June, 2022 reflected a closing balance of Kshs.339,959,744. The variance of Kshs.2,949,836 has not been explained or reconciled. Further, comparative statement of changes in net assets for the year ended 30 June, 2022 was omitted in the financial statements contrary to the requirements of the Public Sector Accounting Standards Board reporting template.

In the circumstances, the accuracy and completeness of capital fund balance of Kshs.323,687,972 as at 30 June, 2023 could not be confirmed.

3. Unconfirmed Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.239,472 and as disclosed in Note 16 to the financial statements. The bank reconciliation statement for the month of June, 2023 indicates unrepresented cheques

totalling Kshs.527,871. However, the unpresented cheques totalling Kshs.527,871 were stale as at 30 June, 2023 and had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.239,472 could not be confirmed.

4. Unconfirmed Inventories Balance

The statement of financial position reflects inventories balance of Kshs.34,960. However, stock take report as at 30 June, 2023 was not provided for audit review.

In the circumstances, the accuracy and completeness of inventories balance of Kshs.34,960 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.20,509,760 and Kshs.16,866,896 respectively, resulting to under-funding of Kshs.3,642,864 or 18% of the budget. Similarly, the College expended a total of Kshs.11,961,658 against an approved budget of Kshs.14,107,980 resulting to an under-expenditure of Kshs.2,146,322 or 15% of the budget.

In the circumstances, the under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements. However, no evidence was provided for audit review indicating whether or not the issues were resolved. Further, the prior year issues are not disclosed

under progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board reporting template.

In the circumstances, the issues remain unresolved.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Anomalies in the Presentation and Disclosure of Annual Report and Financial Statements

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

- i. Unsigned report of internal auditor is erroneously included in the annual report and financial statements.
- ii. The name of the College is omitted in the header for the statement of financial performance.

- iii. The table of content is incomplete.
- iv. The name of the College is omitted in the header from page xix to xxxvi.
- v. The statement of financial position indicates property, plant and equipment balance of Kshs.328,861,400 under Note 20 to the financial statements instead Note 19 to the financial statements.

In the circumstances, the annual report and financial statements do not comply with the reporting template prescribed by the Public Sector Accounting Standards Board.

2. Non-Compliance with Law on Staff Ethnic Diversity

Analysis of the payroll and staff list provided for audit review revealed that during the year under review, the College had thirty-three (33) employees, both teaching and non-teaching and on permanent and pensionable and contractual terms. However, out of the total number, twenty-six (26) employees or 79% were from one ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that no public establishment shall have more than one third of its staff from one ethnic community.

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

3. Failure to Deduct and Remit Pay-As-You-Earn (PAYE)

The statement of financial performance and Note 10 to the financial statements reflect employee costs of Kshs.5,696,120. However, review of payroll records revealed that during the year under review, Management did not deduct and remit Pay-As-You-Earn (PAYE) from employees' salaries. This was contrary to the provisions of Section 37(1) of the Income Tax Act (CAP 470) which provides that an employer paying emoluments to an employee shall deduct therefrom, and account for tax thereon, to such extent and in such manner as may be prescribed.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and the Board of Governors

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

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

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

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

The Board of Governors is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit


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

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 January, 2025

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2022-2023	2021-2022
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	7,675,200	7,588,600
Grants from donors and development partners	6	21,801,070	21,801,070
Revenue from exchange transactions			
Rendering of services- Fees from students	7	4,595,848	2,889,180
Sale of goods	8	-	-
Revenue from exchange transactions		4,595,848	2,889,180
Total revenue		34,072,118	32,278,850
Expenses			
Use of goods and services	9	4,762,838	3,532,883
Employee costs	10	5,696,120	6,150,128
Remuneration of directors	11	858,700	302,100
Depreciation and amortization expense	12	19,221,608	19,251,158
Repairs and maintenance	13	0	0
Contracted services	14	480,000	160,000
Finance costs	15	15,062	7,518
Total expenses	0	31,034,328	29,403,787
Net Surplus for the year	0	3,037,790	2,875,063

2. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	239,472	405,498
Current portion of receivables from exchange transactions	17	3,205,739	2,340,698
Inventories	19	34,960	1,542,800
Non-current assets			
Property, plant and equipment	20	328,861,400	340,475,968
Total assets		332,341,571	344,764,964
Liabilities			
Current liabilities			
Creditors	21	900,849	133,700
Refundable deposits from customers	22	64,800	21,360
Total liabilities			
Retained earnings		7,687,950	4,650,160
Capital Fund		323,687,972	339,959,744
Total liabilities plus equity		332,341,571	344,764,964

[Signature]
Board of Governors

[Signature]
Finance Officer
ICPAK No 27909

Principal *[Signature]*



3. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2023

	Revalu- ation reserve	Fair value adjust- ment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1 st 2022	000	000	4,650,160	342,909,580	347,559,744
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-		(19,221,608)	(19,221,608)
Retained earnings for the year			3,037,790	-	3,037,790
At June 30, 2023	000	000	7,687,950	323,687,972	331,375,926

4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023
 DIRECT METHOD.

	2022-2023	2021-2022
	Note	Kshs
Cash flows from operating activities		
Cashflow from operating activities		
Transfers from other Government entities/Govt. grants	7,675,200	7,588,600
Rendering of services- Fees from students	4,595,848	2,889,180
Sale of goods	-	-
Total Receipts	12,271,048	10,477,780
Payments		
Compensation of employees	5,696,120	6,150,000
Use of goods and services	4,762,838	3,532,883
Finance cost	15,062	7,518
Remuneration of directors	858,700	462,100
Contracted services	480,000	-
Total Payments	11,812,720	10,152,501
Net cash flows from operating activities	458,328	325,279
Cash flows from investing activities	-	
Purchase of property, plant, equipment and intangible assets (Purchase or disposal of PPE)	000	(745,300)
decrease in non-current receivables	(624,353)	1,020,828
Net cash flows used in investing activities	(624,353)	(275,528)
Net cash flows used in financing activities		-
Proceeds from long term debt	000	000

Debt paid	000	000
Net cash provided from financing activities	000	000
Net increase/(decrease) in cash and cash equivalents	(166,026)	49,751
Cash and cash equivalents at 1 JULY 2022	405,498	355,747
Cash and cash equivalents at 30 JUNE 2022	239,472	405,498

NB. Grants worth shs 21,801,070 were not actually received during the year it's in respect of capital funds received during constructions hence a non-cash transaction. Non-cash transactions are never included in cashflow statements.

Statement of comparison of Budget Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	15,409,760		15,409,760	12,271,048	(3,138,712)	20.37%
Grants from donors and development partners	000	000	000	000	000	000
Transfers from other levels of government	000	000	000	000	000	000
Public contributions and donations	000	000	000	000	000	000
Rendering of services- fees from students	5,000,000	(000)	5,000,000	4,595,848	404,152	0.08%
Sale of goods	000	000	000	000	000	000
Rental revenue from facilities and equipment	000	000	000	000	000	000
Finance income	000	000	000	000	000	000
Miscellaneous Income	100,000	000	100,000	000	100,000	100%
Total Incometxxx	20,509,760	(000)	20,509,760	16,866,896	3,642,864	17.76%
Expenses						
Use of goods and services	6,995,980	000-	6,995,980	4,762,838	2,233,142	31.92%
Employee costs	5,782,000	000	5,782,000	5,996,120	(214,120)	3.7%
Board /Council Expenses	700,000	000	700,000	722,700	(22,700)	3.24%
Repairs and maintenance	270,000	000	270,000	000	270,000	100%
Contracted services	360,000	000	360,000	480,000	(120,000)	33.33%
Grants and subsidies	000	000	000	000	000	000
Total Expenditure	14,107,980	000	14,107,980	11,961,658	2,146,322	33.33%
Surplus For the Period	6,401,780	000	6,401,780	4,905,238	1,496,542	23.38%
Capital Expenditure	000	000	000	000	000	000

(Budget notes)

1. *Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14*
We expected to receive 15,409,760 as Transfers from other National Government entities but in actual sense we received Kes. 12,271,048, a variance of about 20%. This negatively impacted on our budget.

On expenditure, we anticipated to spend 4,107,980 Kes but the actual expenditure was 11,961,658 Kes. This is attributed to delayed government funding and supplier apathy.

2. *Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)*

We didn't have any adjustment here.

3. *Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.*

We were still operating on cash basis during the financial period.

VII. NOTES TO THE FINANCIAL STATEMENTS

4.

GENERAL INFORMATION

The entity is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is governed by TVET Act.

VIII. 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 entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes

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

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

IX. ADOPTION OF NEW AND REVISED STANDARDS

Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1 st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ADOPTION OF NEW AND REVISED STANDARDS (Continued)

New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</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</p>

X. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

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

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition

Revenue from exchange transactions

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.

Budget information

The original budget for FY 2021/2022 was approved by the Board on 17TH September 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of on the FY 2021/2022 budget following the Board's approval.

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 of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c) 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.

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 100 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.

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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 a 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:

5. XVIII. NOTES TO THE FINANCIAL STATEMENTS

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

Financial assets

Impairment of financial assets

The debtors or a 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.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Inventories

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Entity to state the reserves maintained and appropriate policies adopted.

Changes in accounting policies and estimates

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

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

The Entity 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 CEO/principal and senior managers.

Service concession arrangements

The Entity 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 Entity 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 Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

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 imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Comparative figures

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

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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.

6. NOTES TO FINANCIAL STATEMENTS

6. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2022-2023	2021-2022
	kshs	KShs
Unconditional grants		
Operational grant-ministry	1,500,000	1,000,000
Other grants-CDF BURSARY	757,000	610,000
Helb	2,188,200	1,958,600
Capitation	3,230,000	4,020,000
TOTAL	7,675,200	7,588,600
Learning facility grants	21,801,070	21,801,070
Total government grants and subsidies	29,476,270	29,389,670

7. RENDERING OF SERVICES

Description	2022-2023	2021-2022
		KShs
Tuition fees	414,165	55,870
Personal emolument	124,950	218,520
Activity fees	29,580	41,210
Local travel	15,030	34,790
Repair and maintenance	36,050	31,015
Medical	22,970	15,030
Electricity and water	24,970	24,330
Library fees	8,300	16,260
Contingencies	13,215	8,840

Students council	26,130	72,000
Attachment fee	27,240	36560
Development	0	2550
Students insurance	5,390	12050
Registration	198,150	61600
Caution money	64,800	21360
Students ID	99230	12000
Computer	108,599	38500
Examination	171,320	186,510
Total revenue from the rendering of services	1,390,089	888,995
Owing fee	3,205,759	2,340,690
Less prepaid fee	-	(340,505)
	4,595,848	2,889,180

8.SALE OF GOODS

Description	2022-2023	2021-2022
	kshs	KShs
Sale of farm produce	-	-
Total revenue from the sale of goods	-	-

9. USE OF GOODS AND SERVICES

Description	2022-2023	2021-2022
	kshs	KShs

Electricity	248,718	-
Water	-	-
Subscriptions	152,000	51,600
Advertising	26,600	30,305
Admin fees-students council	215,750	38,000
Consumables	1,018,956	343,948
Postage	7,725	7,725
Printing and stationery	717,870	450,865
Office equipment	-	12,000
Registration	-	272,200
Students insurance cover	60,200	36,000
Sports	166,650	349,840
Examinations	1,889,379	1,031,045
Production units	31,600	40,800
Cleaning materials	201,690	0
Pc allowances	25,700	0
Total good and services	4,762,838	3,532,883

10 EMPLOYEE COSTS

	2022-2023	2021-2022
	kshs	KShs
Salaries and wages	3,216,400	3,446,270
Nssf	336,800	311,160
Nhitf	83,800	70,000
Travel, motor car, accommodation, subsistence and other allowances	2,059,120	2,322,698
Employee costs	5,696,120	6,150,128

11. REMUNERATION OF DIRECTORS

Description	2022-2023	2021-2022
		KShs
Chairman's Honoraria	136,000	52,000
Directors emoluments	722,700	250,100
Other allowances		-
Total director emoluments	858,700	302,100

12. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2022.2023	2021-2022
	kshs	KShs
Property, plant and equipment	19,221,608	19,221,608
Total depreciation and amortization	19,221,608	19,221,608

13 REPAIRS AND MAINTENANCE

Description	2022-2023	2022-2021
	kshs	KShs
Furniture and fittings	0	-
Total repairs and maintenance		-

14. CONTRACTED SERVICES

Description	2022-2023	2021-2022
	kshs	KShs
WAPE SECURITY	480,000	160,000
Total finance costs	480,000	160,000

15 FINANCE COSTS

Description	2022-2023	2021-2022
	kshs	KShs
Bank charges	15,062	7,518
Total finance costs	15,062	7,518

16(a). CASH AND CASH EQUIVALENTS

Description	2022-2023	2021-2022
	kshs	KShs
Current account	239,472	405,498
Total cash and cash equivalents	239,472	405,498

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

Financial institution	Account number	2021-2022
		KShs
		405,498
Current account		2022-2023
Kenya Commercial bank	1273839846	239,472
Grand total		239,472

17. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2022-2023	2021-2022
	kshs	KShs
Current receivables		
Student fee	3,205,739	2,340,690
Total current receivables		2,340,690

18. INVENTORIES

Description	2022-2023	2021-2022
	kshs	KShs
Consumable stores	34,960	1,542,800
Total inventories at the lower of cost and net realizable value	34,960	1,542,800

19. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture and fittings	Land	Computers	Other Assets (utensils)	Plant and equipment	Total
Cost as at 1 st JULY 2021	75,600,000	2,362,400	7,600,000	124,000	94,525	300,000,000	385,780,925
Additions-	-	-	-	745,300	-	-	745,300
Disposals	-	-	-	-	-	-	-
At 30 th June 2022	75,600,000	2,362,400	7,600,000	869,300	94,525	300,000,000	386,526,225
Depreciation for previous years (2021 & 2022)	7,560,000	472,480	-	347,720	63,016	30,000,000	38,443,216
Depreciation for the year (2023)	3,780,000	236,240	-	173,860	31,508	15,000,000	19,221,608
Accumulated depreciation	(11,340,000)	(708,720)	-	(521,580)	(94,525)	(45,000,000)	(57,664,825)
Net book value as at 31 st July 2022	68,040,000	1,889,920	7,600,000	521,580	31,508	270,000,000	348,083,008
Netbook value as at 30 th June 2023	64,260,000	1,653,680	7,600,000	347,720	000	255,000,000	328,861,400

[Motor vehicle old engine is a donation used for training hence no depreciation is charged, Buildings are depreciated at the rate of 5%, furniture and fittings 10%, computers 20%, utensils amortised over use life of 3years, plant and equipment rate of 5%)

NB. The opening balance difference is in respect to value of land worth shs 7,600,000 which was an error omitted from the previous books. The corrections were made to include value of land. Wrong additions of shs 7,040 were also discovered and corrected.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. CREDITORS

Description	2022-2023	2021-2022
	KShs	KShs
Creditors	900,849	275,000
Total trade and other payables	900,849	275,000

21. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2022-2023	2021-2022
	KShs	KShs
Caution money	64,800	73,000
Total deposits	64,800	73,000

22. CAPITAL RISK MANAGEMENT

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

	2022-2023	2021-2022
	kshs	Kshs
Retained earnings	3,037,790	2,875,063
Capital reserve	344,609,904	339,959,744
Total funds	347,647,694	344,609,904
Less: cash and bank balances	239,474	(405,498)
Net debt/(excess cash and cash equivalents)	347,408,220	344,609,904

APPENDICES

APPENDIX 1



MINISTRY OF EDUCATION
MUNGATSI TECHNICAL & VOCATIONAL COLLEGE
P.O. BOX 238 - 50409, NAMBALE
TEL: 0712 281 415 / 0797 777 684 Email: mungatsitvc@gmail.com



Ref. MTVC/CONF/BOG 2020(1)

DATE 01-08-2023

TO THE PRINCIPAL
MUNGATSI TVC

Dear Sir,

INVITATION TO ATTEND A BOARD OF GOVERNORS NOMINATION PANEL
MEETING AS SECRETARY

It is with pleasure and honour that Mungatsi TVC invites you to a meeting that will brainstorm on nomination of its second generation Board of Governors. This is in line with procedure on appointment of BOG in public TVET institutions. The meeting will be held in the Principals office on the 14th August 2023 and you will be secretary to the meeting to capture minutes and handover the output of the meeting to the MOE. The meeting starts at 10..AM. Thank you.

Kenneth Agoi

PRINCIPAL MUNGATSI TVC

Mungatsi Technical and vocational college
Annual Report and Financial Statements for the year ended 30th June 2023

APPENDIX 2: Board induction

4/8/2022	8.30am – 9.00am	Registration	Secretariat	Elizabeth K.
	9.00am – 10.30am	Financial Management in TVET	Anthony Masinde (CFD)	Mungata TVC Finance
	10.30am-1.00am	HEALTH BREAK		
	11.00am – 1.00 pm	Resource Mobilization	Benant Isalamba DDTE	Ugonya TVC Leadership
	1.00pm – 2.00pm	LUNCH BREAK		
	2.00p.m- 4.00pm	Human Resource M&D, and Plenary	Elcanah Mosion Director (HRM&D) (SDVTT)	Mungata TVC Industry
	4.00pm-4.30 pm	HEALTH BREAK		
5/8/2022	8.30am-9.00am	Registration	Secretariat	Elizabeth K.
	9.00am-10.30am	Quality Assurance in TVET Institutions	Aisha Apeka DDTE	Daniel Wako TVC Technology
	10.30am – 11.00am	HEALTH BREAK		
	11.00am-01.00pm	Supplies Chain Management Services in TVET	Gilbert Mamat – Head SCMS-(SDVTT)	Bondo TVC Industry
	1.00pm-2.00 pm	LUNCH BREAK		
	02.00pm-03.30pm	TVET Financing	Dr. Andelina Mugure DDTE	Daniel Wako TVC -Finance
	3.30-4.00 p.m	PLENARY AND CLOSING CEREMONY		Director, County Martha Wekesa
	4.00pm-4.30p.m	HEALTH BREAK		

APPENDIX 3: BOARD EVALUATION



REPUBLIC OF KENYA

MINISTRY OF EDUCATION

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
DIRECTORATE OF TECHNICAL EDUCATION

Induction Training Program for Bondo, Ugenya, Daniel Wako and Mungatsi TVCs
on 3rd, 4th and 5th August, 2022 at Tom Mboya Labour College.

DTE Coordinators: Mr. Benard Isalambo and Mrs. Ruth Mounde
DTE Secretariat: Ms. Elizabeth Karwigi

	Time	Topic	Facilitator/s	Session chair
ARRIVAL AT KISUMU ON 2nd August, 2022				
3/8/2022	8.30am- 9.00am	Registration /Preliminaries	Secretariat	Elizabeth K
	9.00am - 10.00am	Opening Remarks and Key Note Address	Principal (SDVTT) Secretary	Ag. Director Technical Education
	10.00am-11.00a.m	The Role of TVCs in CBET	Tom Muriati Ag. Director Technical Education	County Director Joseph Sunguti
	11.00am-11.30 am	HEALTH BREAK		
	11.30am 12.30pm	Corporate Governance	Mr. B Benard Isalambo DDTE	Bondo TVC Leadership
	12.30pm - 1.30pm	Mwongozo Plenary	& Ruth Mounde DDTE	Daniel Wako Leadership
	1.30pm 2.30pm	LUNCH BREAK		
	2.30pm - 4.00pm	Internal Audit & Plenary	Lucy Mugwe-Head of Audit (SDVTT)	Ugenya TVC Finance



MINISTRY OF EDUCATION

MUNGATSI TECHNICAL & VOCATIONAL COLLEGE



P.O. BOX 238 - 50409, NAMBALE

TEL: 0712 281 415 / 0797 777 684 Email: mungatsitvc@gmail.com

BOARD EVALUATION REPORT JUNE 30TH 2023

	MISSION	Yes	No	Unsure
1.	The Board understands the mission and vision of Mungatsi TVC	✓		
2.	The BOG is able to communicate the mission of MTVC to others	✓		
	ROLE			
	The board understands their role as stipulated in Mwongozo and TVET Act 2013 and other relevant laws	✓		
	The board understands their separation of responsibilities between management and governance	✓		
	The Board approves policies developed by management to assure MTVC objectives are met	✓		
	The Board committees function effectively to assist the full Board in conducting its business effectively	✓		
	The Board understands the fundraising strategy of the College	✓		
	The Board has a strategic vision of how the organization should be evolving over a period of 5 years of its strategic plan implementation	✓		
	The Board requires an annual audit and considers recommendations made in the audit reports	✓		
	The Board through Finance committee ensures that Financial reports are understandable, accurate and timely	✓		
	The Board has established appropriate policies	✓		
	The Board ensures MTVC has an effective public relations and marketing strategy	✓		
	In its decisions, the Board considers corporate social responsibility as important	✓		
	the Board evaluates performance of the CEO in a systematic way and on regular basis	✓		
	ORGANIZATION			
	Board meetings are structured to make effective use of member's time	✓		
	Board members receive appropriate materials for timely decision making	✓		
	Board members demonstrate preparation for meetings through active participation and decision making	✓		

Mungatsi Technical and vocational college
 Annual Report and Financial Statements for the year ended 30th June 2023

	EDUCATION			
	Board members receive sufficient orientation to understand their duties	✓		
	The board is informed about MTVC's current programs and activities	✓		
	COMMENTS/SUGGESTIONS FOR STRENGTHENING THE BOARD			
	Board members to ensure that the ALL get inducted.			
	Blended meetings have become a norm and it is acceptable and cheaper since it saves on transport costs			
	Strive to attend at least a meeting face to face at college to know us well			