

REPUBLIC OF KENYA



Enhancing Accountability

REPORT THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 19 JUN 2025 DAY: Thursday

TABLED BY: Hon. Silvanus Odera
(Majority Party Whip)

CLERK-AT-THE-TABLE: Anastacia

PARLIAMENT
OF KENYA
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OF

THE AUDITOR-GENERAL

ON

**KIGUMO TECHNICAL AND VOCATIONAL
COLLEGE**

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



Revised 30th June 2024



KIGUMO TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2024

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



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1. Acronyms and Definition of Key Terms

A. Acronyms

| | |
|-------|--|
| BOG | Board of Governors |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards |
| PFM | Public Finance Management |
| PSASB | Public Sector Accounting Standards Board |
| TTI | Technical Training Institute |
| TTC | Teacher Training College |
| TVC | Technical Vocational College |

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Kigumo Technical and vocational college (KTVC) was incorporated/ established under the TVET Act 2013. The entity is domiciled in Kenya and is located in Muthithi, Kigumo Sub- County in Murang'a County. It has no branches. The institute is under the Ministry of Education. The college first trainees were admitted in January 2023 in the following courses; Electrical engineering, ICT, Fashion and Design, Hair Dressing ng and Beauty Therapy and Building Technology. The college is a centre of excellence in Fashion and Design. Currently the college has a total population of 454 trainees in six departments as at June 2024. The college is located along Kaharati-Kangari road.

(b) Principal Activities

The Kigumo Technical and vocational college is to provide Technical, Vocational and Entrepreneurship Training (TVET) using appropriate technology to empower trainees for individual and national development. The College provides leadership in designing suitable plans and strategies that contribute to high and sustainable socio-economic development; The College has a credible strategic plan and performance contract that delivers the desired goals. It is also our undertaking that we will perform our responsibilities diligently and to the best of our abilities to support the achievement of the agreed performance targets.

Vision

To be a leading provider of quality and innovative vocational training that will strengthen the economy and impact communities.

Mission

To provide quality Education Research and Innovation for global transformation and sustainable development.

Core values

- Excellence
- Teamwork
- Integrity
- Innovativeness
- Discipline

(c) Key Management

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

| | |
|-----------------------|-------------------------|
| - BOG Chairperson- | Ms. Hazel W. Gachunga |
| - Principal - | Ms. Jeniffer W. Gachago |
| - Deputy Principal - | Mr. Daniel N. Muhia |
| - Ag Dean of Students | Mr James M. Mwangi |
| - Ag Registrar - | Ms Catherine Kalee |

(d) Fiduciary Management

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

| SN. | Designation | Name |
|------------|--|----------------------------|
| 1. | Principal | Jeniffer W. Gachago |
| 2 | Deputy principal Academics | Daniel N. Muhia |
| 3 | Ag. Registrar | Catherine Kalee |
| 4 | Ag. Dean of students | James M. Mwangi |
| 5 | Ag. Head of Building and Civil Engineering | Irene Kabungo |
| 6 | Ag. Head of Business Studies & Entrepreneurship | Absolom Macharia |
| 7 | Ag. Head of Electrical and Electronics Engineering | Godwin Obiero |
| 8 | Ag. Head of Informatics and Computing | Mary Chege |
| 9 | Ag. Head of Hospitality | Sabina Kamau |
| 10 | Ag. Head of Finance | Nancy W. Wanjiru |

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Audit and risk committee activities

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

Finance and operations committee activities

- Oversees budget preparation and financial planning of the College
- Provide financial analysis, advice and oversight of the college budget
- Ensuring that accurately, timely financial statements are prepared and presented to the board.
- Safeguards the College assets
- Ensure the College maintains adequate insurance cover
- Monitor incomes and expenditures against projections

Academic committee activities

- Planning and executing the overall academic growth of the college by making recommendation to the board.
- Recommending to the board the necessary infrastructural, human resource and other requirements for progressing towards achieving the vision of the college.
- Arranging teaching requirements for successful completion of academic programs of the college and supervising the same periodically.
- Facilitating examination officer for making arrangements for conducting examinations as per the college guidelines.
- Facilitate promotion of collaboration and linkages with other academic intuitions and industry


Kigumo Technical and Vocational College
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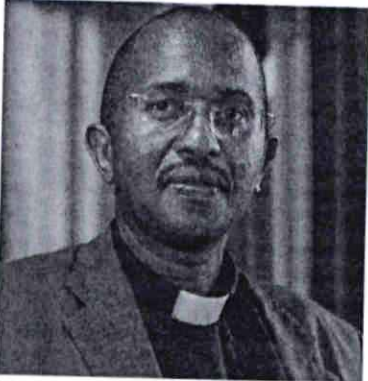

| Name of the Committee | Members |
|-----------------------------------|---|
| Finance and Resource Mobilization | 1. Mrs. Jane Wangari Wanjeru 2. Rev. George Kahuho 3. Mrs. Jeniffer W. Gachago |
| Academics and Techn. | 1. Mr. Galgallo Halakhe 2. Mr. Harun Thuo 3. County Director |
| Risk and Audit | 1. Mr. Raphael Sinoyia Sarinke 2. Mrs. Clarah Jespkosgei Kimeli 3. Internal Auditor Michuki TTI |

- (f) **Entity Headquarters**
 P.O. Box 5-10203
 Kigumo, Muranga County
 Along Kaharati- Kangari road
- (g) **Entity Contacts**
 Telephone: (254) 769 394 263
 E-mail: kigumotvc@gmail.com / info@kigumotvc.ac.ke
 Website: www.kigumotvc.ac.ke
- (h) **Entity Bankers**
 Kenya Commercial Bank
 Muranga Branch
 P.O Box 112-10200
 Muranga Town
- (i) **Independent Auditors**
 Auditor-General
 Office of Auditor General
 Anniversary Towers, Institute Way
 P.O. Box 30084
 GPO 00100
 Nairobi, Kenya
- (j) **Principal Legal Adviser**
 The Attorney General
 State Law Office
 Harambee Avenue
 P.O. Box 40112
 City Square 00200
 Nairobi,

Kenya

3.The Board of Governors

| SN. | Member | Details |
|-----|---|---|
| 1. | <p>1. Chairperson</p>  <p><u>Prof Hazel Wanjiku Gachunga</u></p> <p>Profession: Human Resource and Change Management Consultant</p> | <p>Date of Birth: 22/5/1971</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> • Doctorate in Business Administration – Human resource management option • Masters in Personnel Management and Industrial relations • Bachelor of Education <p>Work Experience:</p> <ul style="list-style-type: none"> • Chairperson of Commerce and Economic Department and Senior Lecturer – Jomo Kenyatta University of Agriculture and Technology • Lead Adjunct Faculty for Executive Education Programs - Strathmore Business School • Change Management Consultant – DAI international • Change Management Consultant UNOD • Change Management Consultant – World Bank • Change Management Consultant – Nairobi Hospital • Change Management Consultant – CIMMYT • Change Management Consultant – Global Green Growth Initiatives • Change Management Consultant – NIRAI International • Change Management Consultant – CIMMYT |

| | | |
|----|---|---|
| 2. | <p>Leadership</p>  <p><u>Rev. George Kahuho Ngatia</u></p> <p>Profession: Parish Minister</p> | <p>Date of Birth: 30/4/1967</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> • Mth (Commendation) Queens University • Bachelor of Divinity • Bachelor of Business Administration (management) <p>Work Experience:</p> <ul style="list-style-type: none"> • Parish Minister – PCEA Githunguri parish – Githunguri Presbytery • Parish Minister – PCEA Sukari parish – North Nairobi Presbytery • Parish Minister – PCEA Gilgil parish – Abardare Presbytery • Parish Minister – PCEA Langata parish – Milimani Presbytery • Parish Minister – PCEA Munyu parish – Kiganjo Presbytery • Export Officer – Kenfreight East Africa |
| 3. | <p>Finance</p>  <p><u>Jane Wangari Wanjeru</u></p> <p>Profession: Finance Officer</p> | <p>Date of Birth: 15/5/1986</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> • Bachelor of Commerce • Certified Public Accountant <p>Work Experience:</p> <ul style="list-style-type: none"> • Chief Executive Officer – Tambulika Sac Ltd • Finance and Operation Manager – VEP group of Companies • Finance Manager - Orient Sacco <p>Accountant – Murata Sacco Limited</p> |
| 4. | 4. Industry | Date of Birth: 1/1/1978 |



Raphael Sinoyia Sarinke Masindet
 Profession: ICT Officer

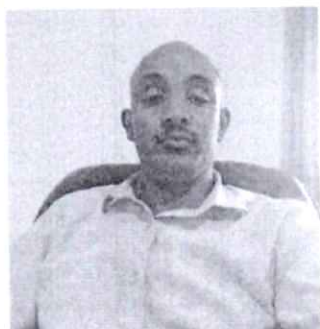
Academic Qualifications:

- Masters of science in computer informat system
- Degree Bachelor of computer Applicatio
- Diploma in Computer Operations – Hardware and Networking

Work Experience:

- ICT Officer – National Land Commissio
- Database Administrator – National Museum Kenya

5. Technology



Galgallo Halakhe Waqo
 Hotel and Event Manager

Date of Birth: 24/12/1991




Academic Qualifications:

- Bachelor Degree in Hospitality, hotel and Event Management
- Diploma in Hotel Management

Work Experience:

- General Manager- Nokras Riverine Hote and Spa
- Food and Beverage Manager - Nokras Riverine Hotel and Spa
- Head of Food and Beverage Department Green Heels Hotel (Courtesy Hotels)
- In charge of Service Department – Keny School of Monetary Studies (Conference Centre)
- Food and Beverage Supervisor -Enashipai Resort and Spa
- Management Trainee- Enashipai Resort : Spa
- Food and Beverage Supervosor (casual) Enashipai Resort and Spa
- Supervisor during outside catering – Safi park and Hotel
- Supervisor training – Utalii Hotel
- Operational training – Utalii Hotel

5.

| | | |
|-----------|---|--|
| <p>6.</p> | <p>6. Engineering</p>  <p><u>Harun Thuo Kamau</u> Profession: Mechanical Engineer</p> | <p>Date of Birth: 2/11/1988</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> • BSC Mechanical Engineering • Diploma in Mechanical Engineering <p>Work Experience:</p> <ul style="list-style-type: none"> • Operation and Maintenance team leader Thika Power and Generating Company 87MW <p>Mechanical Technician – Hyoung & Co.Ltd</p> |
| <p>7.</p> | <p>7. ICT/Law</p>  <p><u>Clarah Jepkosgei Kimeli</u> Profession: Advocate</p> | <p>Date of Birth: 23/9/1981</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> • Postgraduate masters in Law • Postgraduate Diploma in Law • Bachelor of Law degree <p>Work Experience:</p> <ul style="list-style-type: none"> • Legal Counsel – Parliamentary Service Commission • Legal Officer – Constituencies Development Fund Board • State Counsel- State law officer – Civil legislation department <p>Legal Assistant – Nyachiro Nyagaka & Company Advocates</p> |
| <p>8.</p> | <p>8. BOG Secretary/Principal</p>  <p><u>Jeniffer Wambui Gachago</u> Profession: English Literature</p> | <p>Date of Birth: 4/10/1967</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> • Master's in Education Planning and Administration -Currently • BED Arts • <p>Work Experience:</p> <ul style="list-style-type: none"> • Principal – Kigumo Technical and Vocational College • Deputy Principal – Kajiado TVC • Subject Head Teacher – Machakos TTC • HOD – Utumishi Academy |

9. Board Member (CDTVET)






Mr. Charles Nyota
Profession: CDTVET

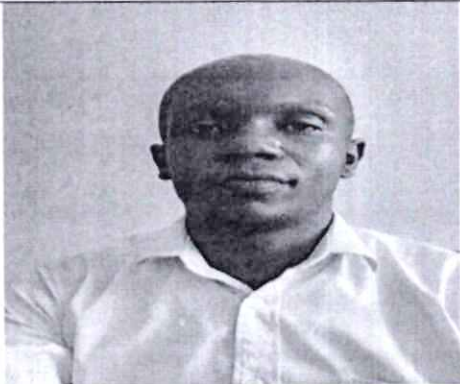


Date of birth: 10/10/1970

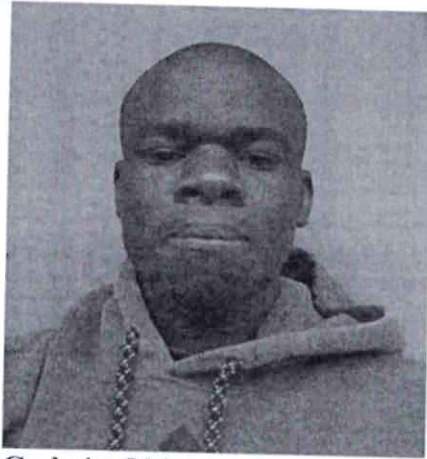


Academic Qualifications:
Masters in computer Science


Work experience:
Quality Assurance office for 20 years

4. Key Management Team

| SN. | Member | Details |
|-----|---|--|
| 1. | Principal –Kigumo TVC  <u>Jeniffer Wambui Gachago</u> Profession: English Literature | Principal and Secretary to Board of Governors Kigumo TVC. She is in charge of daily management of Kigumo TVC and also the Accounting Officer |
| 2. | Deputy Principal –Kigumo TVC  <u>Daniel Njoroge Muhia</u> Profession: Electrical and Electronics Engineer | Deputy Principal and in charge of academic affairs |
| 3. |  <u>Catherine Kalee King'esi</u> Profession: Secretarial Studies | Ag. Registrar |

| | | |
|-----------|---|---|
| <p>4.</p> |  <p><u>James Murigi Mwangi</u> Profession: Building Technology</p> | <p>Ag. Dean of Students</p> |
| <p>5.</p> |  <p><u>Mary Wangari Chege</u> Profession: Information Communication Technology</p> | <p>Ag. Head of Informatics and Computing Department.</p> |
| <p>6.</p> |  <p><u>Absolom Macharia Mweha</u> Profession: Co-operative Management</p> | <p>Ag. Head of Business Studies & Entrepreneurship Department.</p> |

| | | |
|----|---|---|
| 7. |  <p><u>Godwin Obiero omondi</u> Profession: Electrical and Electronics Engineering</p> | <p>Ag. Head of Electrical and Electronics Department.</p> |
| 8. |  <p><u>Irene Wakuthii Kabungo</u> Profession: Building Technology</p> | <p>Ag. Head of Building Department</p> |
| 9. |  <p><u>Sabina Waithira Kamau</u> Profession: Hair Dressing and Beauty Therapy</p> | <p>Ag. Head of Hospitality Department.</p> |

| | | |
|-----|--|-----------------|
| 10. |  <p>Nancy Wangari Wanjiru Profession: Accounting/Finance</p> | Finance Officer |
|-----|--|-----------------|

5. Chairperson's Statement

On behalf of the BOG, management, staff and students of Kigumo TVC I would like to thank the government through the Cabinet Secretary Ministry of Education for giving me the opportunity to serve in this great institution.

In the financial year 2023/2024 the board achieved the following:-

- ❖ Constructed tables for 80 computers for preparation of establishment of a Jitume lab
- ❖ Acquired office desktops and a projector
- ❖ Acquired various sports items for the both athletics and ball games
- ❖ Acquired Equipment's and materials for all departments
- ❖ Did networking and acquired Safaricom Fibre internet
- ❖ Participated in various KATTI activities at both the regional and national levels.
- ❖ Increased student's enrolment
- ❖ Conducted its first External examinations by KNEC, NITA and CDACC

During this financial year, financial commitment was geared towards developing, approving implementation of the first college strategic plan which sets out the process of putting up various structures suited to give support to academic programmes being the core function of the institution. The board envisages continuing growing the institute and look ahead to:

1. Construct Hostels
2. Construct mechanical and building workshop
3. Construct tuition block
4. Construct water reservoirs
5. Install CCTV cameras for additional security
6. Increase acreage of the college
7. Carry out a tracer study on our graduates

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

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



Mrs. Hazel W. Gachunga
BOG Chairperson

6. Report of the Principal

Kigumo Technical and vocational college is a tertiary institution that is located in a serene conducive environment to offer quality and relevant training to her graduates. The courses are tailored to ensure we channel out competent labour force to ensure they contribute effectively to the attainment of the country's Vision 2030 strategic objectives. In furtherance of our mandate, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs so as to remain competitive in terms of quality and relevance, and address the needs of the society.

Under the guidance of the Board of Governors, we aim to set up structures and policies aimed at guiding the institution in the right strategic direction mainly the implementation of integrated management systems based on ISO 9001:2015 (QMS)) and performance contracting in partnership with the government. Under my leadership and the overall direction of the Institute's Board, we were able to ensure that financial resources were utilized efficiently and effectively for optimum result. Despite the many challenges brought about by economic constraints, the Institute nevertheless continued to discharge its mandate of training, research and outreach programmes.

The institution had a student population of 404 in its first year since it was open early under the year of reporting. Furth more, the institute have 9 teaching staff and 4 non- teaching.

The challenges experienced by the Institution

- i) A grant that is capped at sh 500,000 is inadequate more so considering the hike in prices of the good and services in the economy.
- ii) Some of the resource mobilization initiative has not initiated and this resulted in shortfall of our A.I.A.
- iii) Being institution is new and small and competing with the stable Tertiary institution it has affected student enrolment in the institution.

Risk Management

The institution has put in place a robust risk management strategy. This involves a quarterly review of the risks the institution faces and developing mechanisms to mitigate them. In addition, the institution has ensured a strict adherence to statutory requirements.

Future Development

- i) To implement performance contracting in conjunction with the Ministry of Education
- ii) Emphasis on the Green Environment Concept so as to incorporate environmental sustainability and efficiency. In addition, there will be greater effort in building the capacity of its human resource so as to achieve a sustainable future through training, research, innovation and community outreach.
- iii) Development of new facilities and infrastructure as well equipping them as this will enable conducive serene environment for training, research and staff development.
- iv) Enhancing ICT infrastructure to support online job creations for our graduates.

Projects Undertaken

During the Financial Year under review: -

- ❖ Constructed tables for 80 computers for preparation of establishment of a Jitume lab
- ❖ Acquired office desktops and a projector
- ❖ Acquired various sports items for the both athletics and ball games
- ❖ Acquired Equipment's and materials for all departments
- ❖ Did networking and acquired Safaricom Fibre internet
- ❖ Participated in various KATTI activities at both the regional and national levels.
- ❖ Increased student's enrolment
- ❖ Conducted its first External examinations by KNEC, NITA and CDACC

I believe that our graduates undergo the best training that equips them with the necessary skills that strategically aligns them with opportunities within the country, regionally and globally; while at the same time contributing to the realization of the bottom-up economy agenda. That is

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(Agriculture, Micro, Small and Medium Enterprise (MSME), Housing and Settlement, Healthcare and Digital Superhighway and Creative Economy).

Kigumo Technical and vocational college being a Tertiary institution desire to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition

On behalf of the Institute Board of Governor and the top management, I take this opportunity to thank the Government for its unequivocal support during the year under review. I also appreciate the financial, material and moral support of stakeholders, collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the Management team, all staff and our trainees that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.



Mrs Jeniffer W. Gachago
Principal/BOG Sec.

Kigumo Technical and Vocational College
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7. Statement of Performance against Predetermined Objectives

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

Kigumo Technical has 6 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2023-2024. These strategic pillars are as follows:

Pillar/ theme/issue 1:

Pillar/ theme/ issue 2:

Kigumo Technical and vocational College develops its annual work plans based on the above *viii* pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Kigumo TVC achieved its performance targets set for the FY 2023/24 period for its 6 strategic pillars, as indicated in the diagram below:

| Pillar no | Strategic issues | Strategic Objective | Key Performance Indicators | Activities | Achievements |
|-----------|--|--|--|--|--|
| 1: | Access and equity | to enhance access and equity to quality TVET training | -Improve and expand training facilities -Sensitize trainees on alternative sources of financial support -Enhance career guidance and counselling services -Introduce short market-driven courses | -Develop a plan for construction and maintenance of physical infrastructure -Hold Sensitization forums -Identify and offer short market driven courses | -Infrastructure constructed /maintained -Number of trainees benefited from alternative sources of funding -Number of short courses identified and included in training program |
| 2: | Diversified training programs | Increase student Enrollment | -Determine the market training needs -Assess training programmes the strengths and weaknesses of current -Registration of all C-BET Courses by TVETA and TVET-CDACC -Advertise in Print and electronic media and other forums -Promote and upgrade Institute's website Erect and update Bill Boards | - Market survey Report on training needs - Review reports - All C-BET courses registered and approved by TVETA and TVET C-DACC | Increased Enrolment |
| 3: | Institutional corporate governance/ management | Establish/review institutional policies, strategies and programs that are responsive to effective governance and management of TVET. | Reviewed institutional policies, strategies and programs | Quality Policy, Service Charter, Organization structure, HIV/Aids, Drug and substance Abuse, Safety measures, Gender | Reviewed institutional policies, strategies and programmes. |

| | | | | | |
|----|--|--|--|--|---|
| | | | | mainstreaming, Disability Mainstreaming Affirmation policies, Academic Policy, Students Council constitution | |
| 4: | Adequate, competent and highly motivated staff | To enhance Human resource. | Determine manpower requirements. | Manpower requirements report | Manpower requirements determined |
| 5: | Collaborations and linkages | To enhance collaborations and linkages | Develop and implement TVET exchange programmes | Exchange programmes developed and implemented | Number of exchange programs developed and implemented |
| 6: | Infrastructure | To upgrade infrastructure. | Conduct an audit of the existing infrastructure and equipment and determine the gaps Develop a framework for improving and increasing physical facilities Renovate and rehabilitate workshops, Tuition rooms, offices, washrooms | Audit report Framework in place workshops, Tuition rooms, offices, washrooms renovated and rehabilitated | Infrastructure gaps identified Framework developed workshops, Tuition rooms, offices, washrooms renovated and rehabilitated |

8. Corporate Governance Statement

During FY 2023/2024, there was 66% eligible attendance at all meetings of the Board.

The following table shows the number of meetings held during 2023/2024, the attendance of each Member;

| Name | 27 th July 2023 | 8 th April 2023 (BoG Induc tion) | 2 nd Oct. 2023 | 30 th Oct. 2023 | 18 th Dec 2023 | 3 rd March 2024 (Policies and Strategic plan approval) | 31 st May 2024 (Financ e Comm tee) | 14 th June 2024 | Total meetin gs |
|--|----------------------------------|--|---------------------------------|----------------------------------|---------------------------------|---|---|----------------------------------|-----------------------|
| Ms. Hazel W. Gachunga- Current BOG Chairperson | Present | Present | Present | Present | Present | Present | - | - | 6/7 |
| Ms. Jane Wangari | Present | Present | Present | Present | Present | Present | Present | Present | 8/8 |
| Ms. Clarah Jepkosgei | Present | Present | - | - | - | Present | - | - | 3/7 |
| Mr. Galgallo Halakhe | Present | Present | - | - | Present | Present | Present | - | 5/8 |
| Mr. Raphael Sinoyia | Present | Present | Present | - | Present | - | - | Present | 5/7 |
| Mr. Harun Thuo | Present | Present | - | Present | Present | Present | - | Present | 6/7 |
| Rev. George Kahuho | Present | Present | Present | Present | Present | Present | - | Present | 7/8 |
| Charles Nyota (TVET Director) | Present | - | - | Present | - | - | - | - | 2/7 |

NOTE

- 1) There 7 full board meetings and 1 committee meeting
- 2) Board charter exists at the moment.
- 3) Succession plan is after 3 years.
- 4) There was board succession in the month of May 2023

On Board of Governors appointment and tenure of office, removal, the process starts from: -

- 1) Establishing the expiry of the current Board of office (6 months before its term of office comes to an end.
- 2) Then a committee is constituted to nominate a new BOG. This panel is chaired by the County Director TVET. other members to the nomination panel are: -

- (i) Principal
- (ii) County Commissioner to represent GOK.
- (iii) Sponsor incase the Institution is sponsored.
- (iv) The Area M.P or his Representative.

The above committee nominates a maximum of 21 members, 3 per category as prescribed in the areas of specialization and then the list is sent to the Ministry for verification and appointment of a BOG.

The BOG is normally appointed for a term of 3 years, after which to ensure continuity of the Institutional memory 1/3 of the past members are retained.

REMOVAL OF BOG MEMBER/MEMBERS

A Board member may be removed for the following reasons: -

- (1) Failing to attend 3 consecutive meetings without a valid reason.
- (2) Major conflict of Interest
- (3) By tendering his resignation to the appointing authority.
- (4) Failing to take up his position as an appointed BOG.
- (5) Being declared Bankrupt by a Court of law.

RULES AND FUNCTION OF BOARD OF GOVERNORS

The Board of Governors is normally appointed for a term of 3 years after which the Board expires. However, in constituting a new BOG a 1/3 of the members are retained for the sole purpose of Institution memory.

The role and function of the Board of Governors are therefore: -

- 1) Attend to all scheduled BOG meetings.
- 2) Discuss and formulate institutional policies on staff recruitment and promotion.
- 3) Identify in consultation with the principal the recruitment of all PSC trainers and BOG employees and therefore recruit them.
- 4) Reprimand or recommend for interdiction of non-performing PSC & BOG Employees.
- 5) Formulate policies on revenue generation, utility and account for it to the Public through the Auditor General.
- 6) Link with all relevant ministries, agents and stakeholders to promote the importing of relevant and technological skills.
- 7) Link with industries for the purpose of attaching the students.
- 8) Maintaining proper inventory of its property and assets through a Register/inventory.
- 9) Performing supervision role or oversight role on the management of the Institution and advising appropriately.
- 10) Maintaining a motivated workforce as well as a secure environment to work in.

INDUCTION OF THE BOARD OF GOVERNORS

Once a BOG has been appointed, it's the responsibility of the Principal to liaise with the County Director and the Ministry to ensure that the BOG is inaugurated and inducted on its core mandate.

In conjunction with the Principal and the Ministry, the Board is supposed to be trained on the current trends in the training, Industry to make it relevant and vibrant.

BOARD OF GOVERNORS REMURATION

The Board of Governors is paid some sitting allowances and other allowances depending on the strength or financial ability of the Institution to sustain the payments. It's purely based on realistic and affordable rates.

The payments also vary from Institution to another base on their financial resources.

9. Management Discussion and Analysis

Kigumo Technical and vocational college operational and financial performance.

Kigumo Technical and vocational college reported a surplus of Ksh **4,372,640** as at 30th June 2024 in its second year of operation. The impressive performance is as a result proper utilisation of the money disbursed through government grants, Government Scholarship, HELB Loans and fee collection. The institute forecast that its cash flows will improve in the long run so as to enable expansion of the institution in terms of infrastructure. Furthermore, the country is expected to experience exponential growth and the institute expects to have an increase in the student enrolment in the subsequent intakes, which will form a solid base of growth as well as initiating IGA programmes.

Pertaining to trends within the Education sector, University, Tertiary and secondary school sponsor, guardians have been affected by the high cost of living and this affected students to enrol for Technical Education.

The Institute has developed infrastructure and facilities and strives to improve so as to provide quality technical education. Moreover, the institute is implementing resource mobilization strategies' so as to enhance its A.I.A. During the year ended June 2024, the Institution has 454 students.

Kigumo TVC management foresee the growth in terms of student population and the management is pursuing additional funding and technical support from Government agencies and development partners. In the Institution level, program-based budgeting is effective as financial control. This serves to ensure that the Institution allocates resources based on planned and prioritized activity. This means that the cost of each activity will be traced to the product or service as per the Institution plan. To further enhance service delivery through effective financial management, the Institute will concentrate on eliminating wastages.

In this regard, the Institution will lobby and mobilize financial resources for Technical Training, innovation and creativity.

i. Government Funding

During the financial year 2023-2024, the operations of the institution were done effectively although some trainees under the new funding model did not receive Government Scholarship.

ii. Student fees

Management aims to strengthen fees collection so to improve its revenue collection. Furthermore, institution was able to operate smoothly in its core mandate as well paying its supply on time as well as meeting its current obligation in time.

MANAGEMENT DISCUSSION AND ANALYSIS(Continued)

| GENERAL ADMINISTRATION RISKS | | | | | | |
|------------------------------|---|------------|--------------|-------------------|--|--|
| TOP MANAGEMENT | | | | | | |
| Risk No. | Name of The Risk | Likelihood | Consequences | Weight/Risk Level | Mitigation Control | Responsibility |
| 1. | Funding risks | 3 | 4 | 12 | <ul style="list-style-type: none"> ➤ Enhance fees collection ➤ Income generating project ➤ HELB/NGCDF funding ➤ Government Scholarship | Principal, Deputy Principal, Finance Officer |
| 2. | Loss of funds | 4 | 4 | 16 | <ul style="list-style-type: none"> ➤ Use of biometric ➤ Exam cards ➤ Class attendance register ➤ Use of approved budget | Principal, FO HOD |
| 3. | Political risk | 3 | 4 | 12 | <ul style="list-style-type: none"> ➤ Consultative meeting ➤ Recruitment on regional balance ➤ Engage them on projects | Principal, FO, Dp Principal |
| 4. | Reputational Risk | 4 | 4 | 16 | <ul style="list-style-type: none"> ➤ Quality Assurance (External results) ➤ Maintain of discipline ➤ Relationship with media | Principal, HoDs, QA Internal Auditor |
| 5. | Litigation Risk | 3 | 4 | 12 | <ul style="list-style-type: none"> ➤ Comply to regulatory and statutory rules ➤ Use of qualified personnel ➤ Use of established mechanism | Principal, Finance Officer HoDs, Legal experts |
| 6. | Data and information insecurity due to: malware, power failure and cyber attack | 1 | 4 | 4 | <ul style="list-style-type: none"> ➤ Acquire UPS ➤ Regular Backup of payroll & personnel information ➤ Use of password ➤ Firewall | HR/SA |
| 7. | Poor Workplace culture | 4 | 3 | 12 | <ul style="list-style-type: none"> ➤ Adherence of the HR policies ➤ Code of conduct ➤ Sensitization of work place culture and diversity | Principal |

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SECURITY

OBJECTIVE: To ensure security of Kigumo Technical and Vocational College is maintained at all times.

| Risk No. | Name of the Risk | Likelihood | Consequences | Weight/Risk Level | Mitigation Control | Responsibility |
|----------|--------------------------------------|------------|--------------|-------------------|---|---|
| 8. | Theft of properties in the institute | 4 | 4 | 16 | <ul style="list-style-type: none"> ➤ CCTV surveillance ➤ Perimeter fence ➤ Hire and maintain security officers ➤ Where necessary put items under lock and key ➤ Burglar proof offices | Principal, Deputy Principal, Finance Officer, HODS |
| 9. | Terrorists attack | 3 | 5 | 15 | <ul style="list-style-type: none"> ➤ Screening at the gate ➤ Security checks of persons and vehicles ➤ Use of biometric system ➤ Reporting of suspicious characters for interrogation | Principal, Deputy Principal, HODS |
| 10 | Business disruption | 4 | 5 | 20 | <ul style="list-style-type: none"> ➤ In case of covid 19, adhere to MOH protocols, closure of institution. In case of fire, we shall install firefighting equipment and firefighting practices and fire drills. ➤ In case of strike, we involve government security personnel, closure of school and create awareness of consequences. ➤ In case of an epidemic, we collaborate with MOH | Principal, Deputy Principal, HODS |
| 11 | Loss of Information security | 4 | 4 | 16 | <ul style="list-style-type: none"> ➤ Use clear screen and desk practice ➤ Use password on computers ➤ Use lockable cabinets ➤ Inculcate personal discipline | Principal, Deputy Principal, HODS |
| 12 | Over use of hired goods | 3 | 2 | 6 | <ul style="list-style-type: none"> ➤ Make a bidding contract with the customer on duration of use and stipulate measures to recover by surcharging. | -Principal -Deputy Principal -Finance Officer |

FINANCE DEPARTMENT:

OBJECTIVE: Ensure prudent management of institute's financial resources by 30th June 2024

| Risk No. | Name of the Risk | Likelihood | Consequences | Weight/Risk Level | Mitigation Control | Responsibility |
|----------|------------------|------------|--------------|-------------------|--------------------|----------------|
|----------|------------------|------------|--------------|-------------------|--------------------|----------------|

| | | | | | | |
|----|--|---|---|----|---|--|
| | Delay in payment of supplies | 2 | 2 | 4 | -Segregation of duties -Ensure invoices are submitted upon delivery of good | Principal P.O F.O |
| 14 | Delay in payment of salary | 2 | 2 | 4 | -Ensure payment of salary is done before 3 rd of proceeding month | Principal F.O |
| 15 | Delay in submission of statutory deduction | 1 | 3 | 3 | -Ensure payment of statutory deduction is done as stipulated | Principal F.O |
| 16 | Uncollected revenue | 3 | 3 | 9 | -Lobby with government bodies -Use of exam cards -Use of biometric -New admission upon 100%fee payment | Principal F.O |
| 17 | Intrusion into system | 1 | 5 | 5 | -Creation of user accounts -Use of password | Principal FO |
| 18 | Lack of cohesion among students | 3 | 3 | 9 | ➤ Sensitization of students on national cohesion ➤ Intensify sporting activities | Dean of students |
| 19 | Chemical burns from cleaning agents | 2 | 3 | 6 | ➤ Train on proper use and handling of chemicals ➤ proper labelling of chemicals | House keeper |
| 20 | High cleaning staff turn over | 3 | 3 | 9 | ➤ Provide good working tools and equipment ➤ Provide good personal protective equipment ➤ conducive /good staff welfare | House keeper HR |
| 21 | Negative image (due to dirty floor and surfaces) | 3 | 4 | 12 | ➤ Duty allocation ➤ Develop a time plan for cleaners ➤ Have a check list for supervision | House keeper/Deput principal Adr |

SPORTS AND RECREATION

Objective: To identify and nature talented students in sports and games.

| Risk No. | Name of the Risk | Likelihood | Consequences | Weight/Risk Level | Mitigation Control | Responsibility |
|----------|--------------------------|------------|--------------|-------------------|--|------------------------------|
| 22 | Loss of sports equipment | 2 | 2 | 4 | ➤ Maintaining key registers ➤ Stores office under lock and key always ➤ Lockable boxes ➤ Issuance register ➤ Sensitization | -Sports office -Principal |
| 23 | Injuries during games | 2 | 2 | 4 | ➤ Sensitization on safety during games | Principal Sports officer |
| 24 | Lack of playing fields | 4 | 4 | 16 | ➤ Request for alternative playground ➤ Hire playgrounds when need arise | Principal Sports officer |

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| | | | | | | |
|----|-------------------------------|---|---|----|--|--------------------------------|
| 25 | Incompetent coaches | 4 | 4 | 16 | <ul style="list-style-type: none"> ➤ Capacity building of coaches through training ➤ Expose the coaches in practical aspects | Principal DP Principal |
| 26 | Inadequate sporting equipment | 3 | 3 | 9 | <ul style="list-style-type: none"> ➤ Budget for acquisition of sports equipment ➤ Seek for partnership and sponsorship from stakeholders | Sports officer DP Principal |

GUIDANCE AND COUNSELLING

OBJECTIVE: Provision of guidance and counseling services to students.

| Risk No. | Name of the Risk | Likelihood | Consequences | Weight/Risk Level | Mitigation Control | Responsibility |
|----------|---|------------|--------------|-------------------|---|------------------------------|
| 27 | Conflict of interest due to Dual relation | 4 | 3 | 12 | <ul style="list-style-type: none"> ➤ Segregation of duties ➤ Scheduled counseling forum ➤ Peer counselor's sensitization forum | G&C Coordinator |
| 28 | Inadequate G&C skills | 2 | 2 | 4 | <ul style="list-style-type: none"> ➤ Capacity building on trainers and peer counselors | G&C coordinator |
| 29 | Inadequate funding | 3 | 3 | 9 | <ul style="list-style-type: none"> ➤ Adequate budget | Principal |
| 30 | Unauthorized access to confidential information | 1 | 4 | 4 | <ul style="list-style-type: none"> ➤ Coding of clients ➤ Key management | G&C Coordinator |
| 31 | Inadequate funding | 3 | 3 | 9 | <ul style="list-style-type: none"> ➤ Adequate budget | Principal Finance Officer |

ICT SUPPORT

OBJECTIVE: To support effective ICT operations within the institute.

| Risk No. | Name of the Risk | Likelihood | Consequences | Weight/Risk Level | Mitigation Control | Responsibility |
|----------|--|------------|--------------|-------------------|---|--|
| 32 | Attack by malware such as computer viruses, worm | 3 | 3 | 9 | <ul style="list-style-type: none"> ➤ Install updated antivirus ➤ Limit software installation to ICT personnel only | HOD ICT Support ICT Technician |
| 33 | Loss of departmental data. | 4 | 2 | 8 | <ul style="list-style-type: none"> ➤ Backup of critical data ➤ Controlled access to server/ main office computers. ➤ Use of firewall | HOD ICT Support ICT Technician |
| 34 | Unauthorized access to the institute systems | 4 | 3 | 12 | <ul style="list-style-type: none"> ➤ Use of username and password for all users accounts ➤ Train user on how to safe guide critical login data ➤ Use of firewall | HOD ICT Support ICT Technician System end Users |
| 35 | Out-dated software's and hardware's | 2 | 4 | 8 | <ul style="list-style-type: none"> ➤ Continues upgrading of software/ hardware | HOD ICT support Principal |

| | | | | | |
|--|---|---|---|---|---|
| Computer damage due to human/ electrical problems. | 3 | 3 | 9 | Proper cabling of computing devices Use of power guards and surge protectors Use backup battery for server computer Limit hardware repair to ICT personnel only. Repair and maintenance schedule per term for all computing devices | HOD ICT Support ICT Technician |
|--|---|---|---|---|---|

PROCUREMENT

OBJECTIVE: Ensure that procurement of public goods and services is done as per the compliance laws and regulation and also in accordance with a system which is fair, competitive, transparent, equitable and cost effective.

| Risk No. | Name of the Risk | Likelihood | Consequences | Weight/ Risk Level | Mitigation Control | Responsibility |
|----------|--|------------|--------------|--------------------|---|--------------------------------------|
| 37 | Delay in timely provision of essential services due to late approvals and delayed supplies | 2 | 3 | 6 | Timely approval | P.O FINANCE OFFICER |
| 38 | Substandard or poor-quality services | 2 | 3 | 6 | Inspection and acceptance committee put in place project supervision Supplier reviews | PRINCIPAL P.O |
| 39 | Compliance risk | 2 | 3 | 6 | Adherence to laws and regulation in procurement | PRINCIPAL P.O F.O |
| 40 | Overstatement or understatement of the need | 3 | 3 | 6 | Preparation of proper budgeting | H.O.D'S |
| 41 | Lack of procurement plan | 1 | 5 | 5 | Preparation of proper procurement plan | H.O.D'S P.O FINANCE OFFICER |

DEPUTY PRINCIPAL

| Risk No. | Name of the Risk | Likelihood | Consequences | Weight/ Risk Level | Mitigation Control | Responsibility |
|----------|---------------------------------------|------------|--------------|--------------------|--|--|
| 42 | Poor lecture attendance by trainers | 3 | 4 | 12 | Enhance on trainers' daily attendance register. Enhance use of lecture attendance forms Enhance monitoring through spot checks | Dp Principal Academic HODS Class Reps |
| 43 | Constant changes in the institutional | 4 | 2 | 8 | Timely replacement & recruitment of trainers | Dp Principal |

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| | | | | | | |
|----|--|---|---|----|---|--------------|
| | timetable | | | | Properly prepared and validated workload. Appoint and train adequate timetablers | HOD'S HR |
| 44 | Delay in recruitment of trainers | 4 | 4 | 16 | Enhance timely requisition of trainers. Enforce early recruitment. Maintain a data base for potential trainers | HOD HR |
| 45 | Unauthorized interference with the institutional timetable | 3 | 4 | 12 | Enhance use of password policy to limit unauthorized access. Have lockable timetable noticeboards. | Dp Principal |
| 46 | Failure to achieve the set performance target. | 3 | 4 | 12 | Enhance monitoring Follow up on exam analysis recommendations Conduct regular Academic meetings. Introduction of Departmental Academic Excellence trophy. | Dp Principal |

ICT DEPARTMENT

| Risk No. | Name of the Risk | Likelihood | Consequences | Weight/Risk Level | Mitigation Control | Responsibility |
|----------|--|------------|--------------|-------------------|---|----------------|
| 47 | Inadequate teaching staff | 3 | 3 | 9 | -Requisition of additional trainers -Online teaching | -H.O.D |
| 48 | Class Attendance Absenteeism | 3 | 3 | 9 | -Class attendance Register -Sensitization meetings | H.O.D |
| 49 | Assessment Absenteeism | 3 | 3 | 9 | -Awareness --Sensitization meetings | H.O.D |
| 50 | Late preparation/submissions of teaching documents | 3 | 3 | 9 | -Effective communication --Sensitization meetings | H.O.D |
| 51 | Low enrolment | 3 | 3 | 9 | -Marketing -Publicity | H.O.D |

BUILDING DEPARTMENT

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| Risk No. | Name of the Risk | Likelihood | Consequences | Weight/Risk Level | Mitigation Control | Responsibility |
|----------|---|------------|--------------|-------------------|---|----------------|
| 52 | Unattended classes | 3 | 3 | 9 | <ul style="list-style-type: none"> ➤ Monitoring lecturer attendance register ➤ Close monitoring of lectures attendance | HOD |
| 53 | Inadequate skills in some trainers | 2 | 2 | 4 | <ul style="list-style-type: none"> ➤ Capacity building sessions for trainers | HOD |
| 54 | Inadequate staff(trainers) | 3 | 3 | 9 | <ul style="list-style-type: none"> ➤ Lobbying for more trainers | HOD |
| 55 | Pilferage in the workshops | 3 | 3 | 9 | <ul style="list-style-type: none"> ➤ Install surveillance cameras ➤ Additional technician ➤ Surcharging the culprits | HOD |
| 56 | Inadequate learning equipment in the workshop | 3 | 3 | 9 | <ul style="list-style-type: none"> ➤ Arranging the learners in groups when in the workshop ➤ Lobbying for more learning equipment | HOD |

EXAMINATION OFFICE

OBJECTIVE: Evaluation of the curriculum

| Risk No. | Name of the Risk | Likelihood | Consequences | Weight/Risk Level | Mitigation Control | Responsibility |
|----------|---|------------|--------------|-------------------|--|--|
| 57 | Exams malpractice | 3 | 3 | 9 | <ul style="list-style-type: none"> ➤ Invigilation ➤ Structural Arrangements in the Exams Rooms ➤ Punishing the Offenders ➤ Enough Revision ➤ Adequate Syllabus Coverage ➤ Training in Ethics and Integrity ➤ Holding Rehearsal Days | <ul style="list-style-type: none"> • Principal • Examinations Officer • Supervisors • Invigilators |
| 58 | Invigilator does not turn-up or lack of invigilator | 4 | 3 | 12 | <ul style="list-style-type: none"> ➤ Automate Timetabling of Internal Exams ➤ Create Invigilator Timetables ➤ Employ Emergency | <ul style="list-style-type: none"> • Principal • Examinations Officer |

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| | | | | | | |
|----|---|---|---|----|--|--|
| | | | | | <ul style="list-style-type: none"> ➤ Invigilator(s) ➤ Examinations Office to Cover ➤ Discipline the Offenders | |
| 59 | Wrong registration of candidates for national examinations | 2 | 3 | 6 | <ul style="list-style-type: none"> ➤ Candidates Signs the Nominal Roll after Verifying the Correctness of their Registration Details ➤ Candidates Write Exams as Under-Protest ➤ Write an Official Letter to KNEC informing them of the Wrong Registration ➤ Candidates indicate their Course and Module on The KNEC Result Slip Being Used for Registration | <ul style="list-style-type: none"> • Principal • Examinations Officer • Academic HODs |
| 60 | Receiving inaccurate entry of information and non-adherence to examinations timelines | 4 | 3 | 12 | <ul style="list-style-type: none"> ➤ Subject Teachers/HODS ensure Entry Check-Lists are Correct and are submitted on Time. ➤ Discipline The Offenders | <ul style="list-style-type: none"> • Principal • Examinations Officer • Academic HODs |
| 61 | Access of exam information by unauthorized users | 3 | 2 | 6 | <ul style="list-style-type: none"> ➤ Acquire enough door keys for every Authorized User ➤ Create Passwords when Booting Computers ➤ Create Passwords on every Folder/File created ➤ Create, Fill and File Record Control Sheets as | <ul style="list-style-type: none"> • Principal • Examinations Officer |

is Appropriate

INDUSTRIAL LIAISON OFFICE

OBJECTIVE: To ensure quality training through industrial attachment.

| Risk No. | Name of the Risk | Likelihood | Consequences | Weight/Risk Level | Mitigation Control | Responsibility |
|----------|--|------------|--------------|-------------------|--|----------------|
| 62 | Lack of placements for trainees. | 3 | 3 | 9 | <ul style="list-style-type: none"> ➤ Collaboration with industries ➤ Create awareness ➤ Database for industrial contacts | ILO |
| 63 | Failure to assess some students on attachment. | 3 | 3 | 9 | <ul style="list-style-type: none"> ➤ Sensitization of trainees | ILO |
| 64 | Indiscipline of students on attachment. | 3 | 2 | 6 | <ul style="list-style-type: none"> ➤ Sensitization of students ➤ Introduce commitment form | ILO |
| 65 | Accidents on the trainees while on attachment. | 2 | 2 | 4 | <ul style="list-style-type: none"> ➤ Awareness on safety precautions ➤ Provide insurance covers to trainees | |
| 66 | Unauthorized access for office files (hard copies of information). | 2 | 2 | 4 | <ul style="list-style-type: none"> ➤ Provide lockable door ➤ Provide lockable cabinets ➤ Clear the desk, clear the screen | |

LIBRARY.

OBJECTIVE: To ensure access of quality and up-to-date academic course and reference materials in the institute

| Risk No. | Name of the Risk | Likelihood | Consequences | Weight/Risk Level | Mitigation Control | Responsibility |
|----------|--|------------|--------------|-------------------|--|-----------------|
| 67 | Theft of library materials | 4 | 3 | 12 | <ul style="list-style-type: none"> ➤ Installation of CCTV Cameras ➤ Installation of security systems ➤ User sensitization ➤ Stamping | Librarian FO |
| 68 | Wearing and tearing of library materials | 2 | 2 | 4 | <ul style="list-style-type: none"> ➤ Putting book covers ➤ Maintain cleanliness ➤ Dusting | Librarian |

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| | | | | | | |
|----|--|---|---|---|--|-------------------|
| 69 | Obsolete materials | 2 | 2 | 4 | <ul style="list-style-type: none"> ➤ Frequent acquiring of materials ➤ Use of E-Books | Librarian HODs |
| 70 | Misplacing/Mis-shelving of library materials | 2 | 2 | 4 | <ul style="list-style-type: none"> ➤ Proper shelving ➤ Proper marking of shelves | Librarian |
| 71 | Mutilation of library materials | 3 | 2 | 6 | <ul style="list-style-type: none"> ➤ Fine the offenders ➤ Replacement of book if badly mutilated ➤ User sensitization | Librarian |

10. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

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

The triple Bottom Line concepts analyse the sustainability of an organization based on three concepts: Profits, people (social) and Planet (environment).

Profit: The institute has benefited greatly through the financial Support received from national government through NGCDF, NGAAF, HELB, grants and capitation. This has led to improved and expanded infrastructure thus resulting in increased student enrolment.

Social: Devolution system of Government has contributed to the increased demand for skills at the county level hence increased student enrolment. This has a direct positive impact to the community around the institution.

Environment: The Board of governance has plans to undertake an environmental sustainability audit and develop an environmental policy to address the issues of environmental sustainability that will be identified during the audit.

| Category | Issue(s) | Description of effect | Action to mitigate |
|-----------|---|---|---|
| Political | Favourable Political situation | <ul style="list-style-type: none"> ➤ Increased student enrolment ➤ Conducive learning environment | <ul style="list-style-type: none"> ➤ Surveillance and intelligence on potential risks |
| | Devolution system of Government | <ul style="list-style-type: none"> ➤ Demand for skills at the county level hence increased student enrolment | <ul style="list-style-type: none"> ➤ Lobby/ Create linkages with the County Governments. |
| | Financial Support from national government through NGCDF, NGAAF, HELB, grants and capitation. | <ul style="list-style-type: none"> ➤ Improved and expanded infrastructure ➤ Increased students' enrolment | <ul style="list-style-type: none"> ➤ Prudent use of government funds ➤ Accountability in the use of available resources |

Environmental performance

The institute has an environmental policy that provides a framework for: reducing negative environmental impacts such as such energy or water consumption, waste management or impacts on natural systems. Kigumo Technical and Vocational College has adopted the following.

- a) Waste segregation bins for ease disposal and further treatment / processing. This has resulted in an effective and sustainable waste management system and reduction of pollution
- b) Having an annual environmental awareness week and participation in college environmental activities spearheaded by the Nature Club. The year under report environmental awareness week culminated in planting trees within the communities surrounding the institution.

Energy conservation by use of “Turn off lights stickers” being mounted on switches all around the institution. The stickers were sensitizing the institute community on energy saving

Employee welfare

At Kigumo Technical and Vocational College, we integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviours of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We also seek to minimize our environmental impact and seek to enhance the amenity of residential communities.

We value our employees who are directly or indirectly involved in training of our students and contribute to their potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community consultation process.

Kigumo Technical and Vocational has a HR Policy aims at ensuring best practices in the management of human Resources as well as improving the working conditions and their terms of service as this promotes efficient and harmonious work relations. The institute also adopts the policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

Market place practices-
Responsible Supply Chain and Supplier relations

As per the government policy and Section 227 of The Constitution of Kenya, the institute has ensured that it complies with procurement regulations.

1. All procurement activities are carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure.
2. The Institute has maintained and continuously updated a list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs

Kigumo Technical and Vocational College ensures that;

- i) Customers are provided with support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- ii) Proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- iii) When doing procurement planning, the institute has complied with preference and reservation requirements.
- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

Corporate Social Responsibility / Community Engagements

The college did not have much on corporate social responsibilities because it is only two years old and still struggling financially and relying 100% on government funding. But in the year under review, the Institute carried out various CSR activities. These activities include:

- Tree planting
- Preparation of a Seedbed

a) School Environmental Awareness Programmes

The institute has embraced school environment programmes as tool of enhancing awareness creation on environmental conservation. The programme entailed creating awareness on environmental conservation among school children and community members. The students are taught how to plant trees seedlings to ensure higher survival rates and also to take care of them till maturity.

11. Report of the Board of Governors

The Board members submit their report for the year ended June 30, 2024, which show the state of the college affairs.

Principal activities

The principal activities of the college are to provide Technical, Vocational and Entrepreneurship Training (TVET) using appropriate technology to empower trainees for individual and national development

Results

The results of the college for the year ended June 30 2024 are set out on pages 42-45.

Board of Governors

The members of the Board who served during the year are shown on page vii to xi.

Auditors

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

By Order of the Board



.....
Secretary of the Board

Date: 07/05/2025

12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board of Governors to prepare financial statements in respect of Kigumo Technical and Vocational College, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/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 Board of Governors 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, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Governors 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 and the TVET Act 2013. The Board of Governors 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, 2024, and of the entity's financial position as at that date. The Board of Governors 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.

In preparing the financial statements, the Principal has assessed the entity's ability to continue as a going concern.


Nothing has come to the attention of the Board of Governors 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

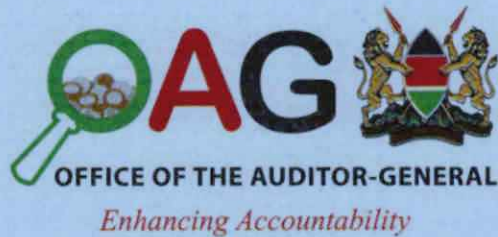
The entity's financial statements were approved by the Board on 07th MAY 2025 and signed on its behalf by:

..... HWGachunga

Hazel W. Gachunga
Chairperson of the Board


.....
Jeniffer W. Gachago
Accounting Officer/Principal

REPUBLIC OF KENYA



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Website: www.oagkenya.go.ke

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

REPORT OF THE AUDITOR-GENERAL ON KIGUMO TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kigumo Technical And Vocational College set out on pages 1 to 43, which comprise of the statement of financial

position as at 30 June, 2024 and the statement of financial performance, statement of changes in Net assets, statement of cash flows and statement of Comparison of Budget and Actual Amounts for year then ended and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kigumo Technical And Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Public Finance Management Act, 2012 and Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1.0 Long Outstanding Student Debtors

The statement of financial position as at 30 June, 2024 and as disclosed in Note 14 to the financial statements reflects current portion receivables from exchange transactions balance of Kshs.6,911,977 in relation to student debtors out of which an amount of Kshs.1,664,591 has been long outstanding for a period exceeding twelve months. There is no evidence and explanations of management efforts in collecting the outstanding balances.

In addition, examination of underlying policies within the College revealed the College doesn't have an approved debt policy that guides on collection of fee arrears.

In the circumstances, the accuracy and recoverability of current portion receivables from exchange transactions amount of Kshs.6,911,977 could not be confirmed.

2.0 Long Outstanding Trade and Other Payables

The statement of financial position as at 30 June, 2024 and as disclosed in Note 17 to the financial statements reflects trade and other payables balance of Kshs.5,335,280. Included in this balance is an amount of Kshs.3,483,574 payables to Michuki Technical Training Institute which has been long outstanding for a period beyond twelve months.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.5,335,280 could not be confirmed.

3.0 Inaccuracies in Net Assets

The statement of financial position as at 30 June, 2024 reflects net asset balance of Kshs.67,377,609 representing net balance of total assets and total liabilities of Kshs.75,577,047 and Kshs.5,529,418 respectively. However, a re-computation of the

total assets and total liabilities results to a total net asset of Kshs.70,047,629 giving an unreconciled and unexplained balance of Kshs.2,670,020.

In the circumstance, the accuracy of net asset balance of Kshs.67,377,609 could not be confirmed.

4.0 Inaccuracies in the Cashflow Statement

The statement of cashflow for the year ended 30 June, 2024 and as disclosed in Note 20 to the financial statements reflects net cash flow from operating activities of Kshs.4,679,558. Included in changes in working capital adjustment is increase in receivables (exchange transaction) balance of Kshs.5,060,273 representing an increase from Kshs.2,306,360 to Kshs.6,911,977. However, a re-computation of the net changes results to a balance of Kshs.4,605,617 giving an unreconciled balance of Kshs.454,656.

In the circumstance, the accuracy of cash flow from operating activities balance could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kigumo Technical and Vocational College 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 comparative budget and actual amount reflects final actual receipts of Kshs.18,401,724 while the College spent Kshs.14,533,870 resulting to underutilization of Kshs.3,867,854 or 21% of actual receipts.

The under-utilization may have affected the planned activities and negatively impacted 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 Information

Conclusion

The Management is responsible for the Other Information set out on page ii to xli which comprise of Key Entity Information and Management, Council/Board of Governors , Key Management team, Chairman's Statement, Report of The Chief/Senior Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council/Board of Governors, Statement of Board of Governors/Council's Responsibilities and Report of the Independent Auditors on Kigumo Technical And Vocational College.

The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

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 and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Compliance with Law of Ethnic Diversity

Review of the staff records revealed that the total number of employees in the College is 23 out of which 26 were from a dominant ethnic community in Kenya or 86% against the requirement of section 7(1) and (2) of the National Cohesion and Integration Act,

2008. This is contrary to section 7(1) and (2) of the National Cohesion and Integration Act, 2008.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Identify and Perform Risk Assessment

During the financial year under review, it was observed that the College did not perform identify and perform risk assessment. This was contrary to the College finance and internal control manual which requires the finance department to ensure functional areas complete risk identification forms to identify its risks, rates them, state risks impact, probability, determines risk treatment, risk owner and therefore the level of overall risk.

In the circumstance, the effectiveness of the College's risk management and related controls could not be confirmed.

2. Lack Controls in Imprest Management

The statement of financial performance for the year ended 30 June, 2024 and as disclosed in Note 8 to the financial statements reflects use of goods and services amounting to Kshs.12,133,505 out of which an amount of Kshs.1,196,350 is in relation to local travel and transportation. However, review of the imprest management and control revealed that College did not maintain an imprest management system or a manual imprest register to record details of imprest applicants, dates of imprest, amounts issued and due dates, among others and to aid in the issuance and the control of the allowances that were issued to the staff. Management was therefore in breach of Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 which

provides that the imprest applicant should be recorded in the imprest register including the amount applied for.

In the circumstances, the effectiveness of the imprest management and control in place at the College could not be confirmed. Additionally, Management was in breach of the law.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 May, 2025


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

14. Statement of Financial Performance for The Year Ended 30th June 2024

| | Notes | FY 2023-2024 | FY 2022-2023 |
|---|-------|-------------------|-------------------|
| | | Kshs | Kshs |
| Revenue from Non-Exchange transactions | | | |
| Transfers from other National Government entities | 5 | 6,941,753 | 1,000,000 |
| | | 6,941,753 | 1,000,000 |
| Revenue from Exchange transactions | | | |
| Rendering of services- fees from students | 6 | 17,101,571 | 9,933,920 |
| Other income | 7 | 18,500 | 1,410,000 |
| Revenue from Exchange transactions | | 17,120,071 | 11,343,920 |
| Total Revenue | | 24,061,824 | 12,343,920 |
| | | | |
| Expenses | | | |
| Use of goods and services | 8 | 12,133,505 | 5,657,9121 |
| Employee costs | 9 | 3,099,498 | 1,173,769 |
| Board Expenses | 10 | 1,218,600 | 260,000 |
| Depreciation expense | 11 | 1,634,388 | 1,675,965 |
| Repairs and maintenance | 12 | 77,111 | - |
| Total Expenses | | 18,163,102 | 8,767,646 |
| Net surplus for the year | | 5,898,722 | 3,576,274 |


The notes set out on pages 22 to 31 form an integral part of the Annual Financial Statements.

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



Chairperson of Board
 Date 07/05/2025


Principal
 Date 07/05/2025




Finance Officer
 Date 07/05/2025

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

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

| Description | Notes | FY 2023-2024 | FY 2022-2023 |
|--|-------|-------------------|-------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 13 | 7,239,177 | 3,271,323 |
| Current portion of receivables from exchange transactions | 14 | 6,911,977 | 2,306,360 |
| Current portion of receivables from non- exchange transactions | 15 | 499,828 | - |
| Total Current Assets | | 14,650,982 | 5,577,683 |
| Non-Current Assets | | | |
| Property, plant, and equipment | 16 | 60,926,065 | 62,183,565 |
| Total Non-Current Assets | | 60,926,065 | 62,183,565 |
| Total Assets (A) | | 75,577,047 | 67,761,248 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables from exchange transactions | 17 | 5,335,280 | 4,852,664 |
| Refundable deposits from customers | 18 | 194,138 | - |
| Total Current Liabilities | | 5,529,418 | 4,852,664 |
| Total non- current liabilities | | - | - |
| Total Liabilities (B) | | 5,529,418 | 4,852,664 |
| Net Assets (A-B) | | 67,377,609 | 62,507,512 |
| Represented By: | | | |
| Accumulated Surplus | | 9,474,996 | 3,576,274 |
| Capital Fund | | 57,902,613 | 58,931,238 |
| Net Assets | | 67,377,609 | 62,507,512 |

The Financial Statements set out on pages 11 to 15 were signed by:




Chairperson of Board

Date 07/05/2025


 Date: 7/5/2025

Principal

Date 07/05/2025



Finance Officer
ICPAK No ASSOC/4975
Date 07/05/2025

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

16. Statement of Changes in Net Asset for The Year Ended 30 June 2024

| Description | Revenue reserve | Capital Reserves | Total |
|-------------------------|------------------|-------------------|-------------------|
| At July 1, 2022 | 0 | 0 | 0 |
| Surplus for the year | 3,576,274 | - | 3,576,274 |
| Capital reserve | - | 58,931,238 | 58,931,238 |
| At June 30, 2023 | 3,576,274 | 57,653,244 | 62,507,512 |
| At July 1, 2023 | 3,576,274 | 57,653,244 | 62,507,512 |
| Surplus for the year | 5,898,722 | - | 5,898,722 |
| Capital reserve | - | - | - |
| At June 30, 2024 | 9,474,996 | 57,902,613 | 67,377,609 |

Kigumo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

17. Statement of Cash Flows for The Year Ended 30 June 2024

| Description | | | |
|--|------|-------------------|------------------|
| | Note | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from other National Government entities | | 6,441,925 | 1,000,000 |
| Rendering of services- fees from students | | 12,041,298 | 8,854,821 |
| Other income | | 18,500 | |
| Total Receipts | | 18,501,723 | 9,954,821 |
| Payments | | | |
| Use of goods and services | | 9,823,783 | 3,215,032 |
| Employee costs | | 2,962,673 | 977,638 |
| Board Expenses | | 958,600 | - |
| Repairs and maintenance | | 77,111 | - |
| Total Payments | | 13,822,167 | 4,192,670 |
| Net Cash Flows from operating activities | 20 | 4,679,558 | 5,762,151 |
| Cash flows from investing activities | | | |
| Purchase of property, plant, equipment and intangible assets | | 711,704 | 2,390,828 |
| Net cash flows used in investing activities | | 711,704 | 2,390,828 |
| Cash flows from financing activities | | | |
| Proceeds from Borrowing | | | - |
| Repayment of Borrowings | | | - |
| Net cash flows used in financing activities | | | - |
| Net Increase/(Decrease) in Cash and Cash equivalents | | 3,967,854 | - |
| Cash and Cash equivalents at 1 JULY 2023 | 13 | 3,271,323 | 0 |
| Cash and Cash equivalents at 30 JUNE 2024 | 13 | 7,239,177 | 3,271,323 |

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

| Description | Original Budget | Adjustment | Final Budget | Actual Amount | Performance Variance | Efficiency Difference | Notes |
|---|-------------------|-------------|-------------------|-------------------|----------------------|-----------------------|-------|
| | Kshs | Kshs | Kshs | Kshs | Kshs | % | |
| Revenue | | | | | | | |
| Transfers from other National Government entities | 9,000,000 | - | 9,000,000 | 6,441,925 | 2,558,075 | 28% | a |
| Rendering of services- fees from students | 9,336,000 | - | 9,336,000 | 12,041,299 | -2,705,299 | 29% | b |
| Other Income | 65,000 | - | 65,000 | 18,500 | 46,500 | 72% | c |
| Total Income | 18,401,000 | - | 18,401,000 | 18,501,724 | -100,724 | 0.54% | |
| | | | | | | | |
| Expenses | | | | | | | |
| Use of goods and services | 11,744,600 | 800,000 | 12,544,600 | 9,823,783 | 2,009,114 | 17% | d |
| Employee costs | 5,606,400 | (1,500,000) | 4,106,400 | 2,962,673 | 1,143,727 | 28% | e |
| Board Expenses | 900,000 | 700,000 | 1,600,000 | 958,600 | 641,400 | 40% | f |
| Repairs and maintenance | 150,000 | - | 150,000 | 77,111 | 72,889 | 49% | g |
| Purchase of Assets | | | | 711,704 | | | |
| Total Expenditure | 18,401,000 | | 18,401,000 | 14,533,871 | 3,867,130 | | |
| | | | | | | | |
| Surplus for the Period | | | 0 | 3,967,854 | 3,967,854 | | |

Budget notes

Note 1:

- a) **Transfer from National Government:** The College did not receive the full amount of capitation for the trainees which were validated by KUCCPS as we received Ksh 3,500, Ksh 4,000 and Ksh 2,998 for the 2nd, 3rd and 4th quarter respectively. capitation for Quarter one was not disbursed.
- b) **Rendering of services- fees from students-** Trainees received HELB loans within the financial year, some also received Government scholarships and Bursary from NG-CDF.
- c) **Other Income-** There was little income that was initiated by the institution
- d) **Use of goods and services-** The vote was not exhausted as the college did not participate in some activities such as robotics.
- e) **Employee costs-** The College did engage most of its BOG employees on Internship and contractual basis as there was a PSC recruitment that was done within the financial year.
- f) **Board Expenses-** The board expenses were not fully utilised as some committee did not meet for some quarterly meetings.
- g) **Repairs and maintenance-** There were minimal repairs carried out during the financial year 2023/2024 as College assets were still not old

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

Note 2. Explanation/Reconciliation on the total of actual on comparable basis not tying to the statement of financial performance totals due to differences in accounting basis (budget is cash basis; statement of financial performance is accrual).

| REVENUE | | | | | |
|--------------------|---|-----------------------|----------------|-----------|--|
| S/NO | ITEM | FINANCIAL PERFORMANCE | BUDGET ACTUALS | VARIANCE | EXPLANATION |
| 1 | Transfers from other National Government entities | 6,941,753 | 6,441,925 | 499,828 | Receivables of ksh. 499,828 for quatre 4 FY 2023-2024 was received in July 2024 |
| 2 | Rendering of services- fees from students | 17,101,571 | 12,041,299 | 1,522,702 | Revenue adjustment by adding receivables of ksh. 6,911,977 and Lessing payables of ksh.1,851,706 |
| EXPENDITURE | | | | | |
| S/NO | ITEM | FINANCIAL PERFORMANCE | BUDGET ACTUALS | VARIANCE | EXPLANATION |
| 1 | Use of goods and services | 13,617,736 | 9,823,783 | 3,793,953 | Creditors adjustment amounting to sh. 3,793,953 |
| 2 | Employee costs | 3,099,498 | 2,962,673 | 136,825 | Creditors adjustment amounting to sh.136,825 |
| 3 | Board Expenses | 1,218,600 | 958,600 | 260,000 | Creditors adjustment amounting to sh.260,000 |

Note 3: Explanation of changes between original and final budget (IPSAS 24.29)

| S/NO | ITEM | CHANGES EXPLANATION |
|------|---------------------------|--|
| 1 | Use of goods and services | The changes between original and final budget for the expenditures of the three items was as a result of allocation of budgeted amounts from one vote head to another and was approved by the Board on 7 th of February 2024 to avoid over expenditure in these vote heads. |
| 2 | Employee costs | |
| 3 | Board Expenses | |

19. Notes to the Financial Statements

1. General Information

Kigumo Technical and Vocational College is established by and derives its authority and accountability from TVET Act. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide quality and innovative Vocational training that will strengthen the economy and impact Communities.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

| Standard | Effective date and impact: |
|---|--|
| IPSAS 43: Leases | <i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. |
| IPSAS 45: Property Plant and Equipment | <i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. |
| IPSAS 46: Measurement | <i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. |

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

| | |
|------------------------------------|--|
| | <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> |
| IPSAS 47: Revenue | <p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> |
| IPSAS 48: Transfer Expenses | <p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> |
| IPSAS 49: Retirement Benefit Plans | <p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> |

iii. Early adoption of standards

Kigumo Technical and Vocational College did not early adopt any new or amended standards in Financial year 2023/2024.

Summary of Significant Accounting Policies

- a) Revenue recognition
 - i) Revenue from non-exchange transactions

Transfers from other government entities

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

the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Board on 01st January 2024. 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 to conclude the final budget. Accordingly, the entity did not record any additional appropriations but made virements in the vote heads in FY 2023/2024 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 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 on page 1 of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per first schedule of the Income Tax Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 50-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (entity to amend appropriately). Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. 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.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

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

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

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

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

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

k) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

n) 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.

o) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees. 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.

p) 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.

q) 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.

r) 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 Principal and senior managers.

s) 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.

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

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

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.

5. Transfers from other National Government entities

| Description | FY 2023-2024 | FY 2022-2023 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Unconditional Grants | | |
| Capitation Grants | 4,441,925 | 0 |
| Operational Grant | 2,499,828 | 1,000,000 |
| Total unconditional Grants | 6,941,753 | 1,000,000 |
| Total Government Grants and Subsidies | 6,941,753 | 1,000,000 |

(a) Transfers from other Government entities (Categorized)

| Name of the Entity Sending The Grant | Amount recognized to Statement of Financial performance ^A | Amount deferred under deferred income | Amount recognised in capital fund. | Total grant income during the year | Comparative FY |
|--|--|---------------------------------------|------------------------------------|------------------------------------|------------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| Ministry of Education State Department of Technical and Vocational | 6,941,753 | - | - | 6,941,753 | 1,000,000 |
| Total | 6,941,753 | - | - | 6,941,753 | 1,000,000 |

6. Rendering of Services

| Description | FY 2023-2024 | FY 2022-2023 |
|---|-------------------|------------------|
| | Kshs | Kshs |
| Tuition Fees | 10,625,061 | 1,713,432 |
| Personal Emoluments | 1,435,306 | 1,943,920 |
| Repair and Maintenance | 346,188 | 393,296 |
| Local Travel and Transport | 605,113 | 896,008 |
| Activity Fees | 429,863 | 921,200 |
| Electricity Water & Conservation | 552,073 | 1,037,760 |
| Insurance | 199,501 | 112,800 |
| Administration | - | 1,426,544 |
| Capacity Building | - | 112,048 |
| Practical | - | 1,376,912 |
| College ID | 53,300 | |
| Registration Fees | 222,372 | |
| KUCCPs | 334,501 | |
| Industrial Attachment Fees | 403,105 | |
| Examination Fees | 1,666,650 | |
| TVETA | 11,000 | |
| Caution Money | 194,138 | |
| Student Welfare | 23,400 | |
| Total Revenue from The Rendering of Services | 17,101,571 | 9,933,920 |

This is recognised in accrual basis concept hence involves invoices issued to trainees within the financial year

7. Other Incomes

| Description | FY 2023-2024 | FY 2022-2023 |
|---|---------------|------------------|
| | Kshs | Kshs |
| College ID cards | - | 94,000 |
| Registration Fees | - | 376,000 |
| KUCCPs | - | 564,000 |
| Development Fees | - | 376,000 |
| Computer Packages | 18,500 | - |
| Total Revenue from Sale of Goods | 18,500 | 1,410,000 |

This is the actual revenue received from offering computer packages short course within the financial year.

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8. Use of Goods and Services

| | FY 2023-2024 | FY 2022-2023 |
|-----------------------------------|-------------------|------------------|
| Teaching and learning materials | 2,294,822 | 2,108,200 |
| Administration cost | 4,273,137 | 2,454,497 |
| Electricity, Water & conservation | 266,489 | 111,084 |
| Activity & sport | 851,332 | 218,224 |
| Capacity Building Expense | 1,379,582 | 245,000 |
| Practical materials | - | 446,332 |
| KUCCPs | 70,000 | 70,000 |
| Bank charges | 14,856 | 4,575 |
| Industrial attachment costs | 77,732 | - |
| Tuition | 653,510 | - |
| Local Travel and Transport | 1,196,350 | - |
| Student Welfare | 41,885 | - |
| Examination | 1,008,810 | - |
| Student ID | 5,000 | - |
| Total good and services | 12,133,505 | 5,657,912 |

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9. Employee Costs

| | FY 2023-2024 | FY 2022-2023 |
|-----------------------|------------------|------------------|
| Salaries and wages | 2,803,344 | 1,173,769 |
| NHIF | 61,050 | - |
| NSSF | 219,164 | - |
| NITA Levy | 1,610 | - |
| PAYE | 3,954 | - |
| Housing Levy | 10,376 | - |
| Employee Costs | 3,099,498 | 1,173,769 |

10. Board Expenses

| | FY 2023-2024 | FY 2022-2023 |
|----------------|------------------|----------------|
| BOG Emoluments | 1,218,600 | 260,000 |
| Total | 1,218,600 | 260,000 |

11. Depreciation and Amortization expense

| | FY 2023-2024 | FY 2022-2023 |
|--|------------------|------------------|
| Property, plant and equipment | 1,634,388 | 1,675,965 |
| Total depreciation and amortization | 1,634,388 | 1,675,965 |

12. Repairs and Maintenance

| | FY 2023-2024 | FY 2022-2023 |
|--------------------------------------|---------------|--------------|
| Property, Equipment and machinery | 77,111 | - |
| Total Repairs and Maintenance | 77,111 | - |

13. Cash and Cash Equivalents

| Description | FY 2023-2024 | FY 2022-2023 |
|--|------------------|------------------|
| | Kshs | Kshs |
| KCB Current Account | 7,234,281 | 3,271,323 |
| Total Cash and Cash Equivalents | 7,234,281 | 3,271,323 |

13 (a). Detailed Analysis of Cash and Cash equivalents

| Financial Institution | Account number | FY 2023-2024 | FY 2022-2023 |
|---------------------------|----------------|------------------|------------------|
| | | Kshs | Kshs |
| a) Current Account | | | |
| Kenya Commercial Bank | 1302834932 | 7,234,281 | 3,271,323 |
| Sub- Total | | 7,234,281 | 3,271,323 |
| b) Others | | | |
| Cash in Hand | | 4,896 | 0 |
| Sub- Total | | 4,896 | 0 |
| Grand Total | | 7,239,177 | 3,271,323 |

14. Receivables from Exchange transactions

14 (a) Current Receivables from Exchange transactions

| Description | FY 2023-2024 | FY 2022-2023 |
|----------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Current Receivables | | |
| Student Debtors | 6,911,977 | 2,306,360 |
| Total Current Receivables | 6,911,977 | 2,306,360 |

14 (b) Ageing Analysis of Receivables from Exchange transactions

| Description | FY 2023-2024 | | FY 2022-2023 | |
|--------------------|------------------|------------|------------------|----------------|
| | Kshs | | Kshs | |
| | Current FY | % of total | Comparative FY | % of the total |
| Less than 1 year | 0 | 0 % | 2,306,360 | 100% |
| Between 1- 2 years | 6,911,977 | 100% | 0 | 0% |
| Total (a+b) | 6,911,977 | % | 2,306,360 | % |

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

| Description | FY 2023-2024 | FY 2022-2023 |
|------------------------------|--------------|--------------|
| | Kshs | Kshs |
| At the beginning of the year | 2,306,360 | 0 |
| Provisions during the year | 0 | 0 |
| Recovered during the year | 0 | 0 |
| Write offs during the year | 0 | 0 |
| At the end of the year | 6,911,977 | 2,306,360 |

15. Receivables from non-Exchange transactions

| Description | FY 2023-2024 | FY 2022-2023 |
|-------------------------------------|----------------|--------------|
| | Kshs | Kshs |
| Current Receivables | | |
| Transfers from Other Govt. entities | 499,828 | 0 |
| Total Current Receivables | 499,828 | 0 |

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

| Description | FY 2023-2024 | | FY 2022-2023 | |
|------------------|----------------|----------------|--------------|----------------|
| | Kshs | % of the total | Kshs | % of the total |
| | FY 2023-2024 | % of the total | FY 2022-2023 | % of the total |
| Less than 1 year | 499,828 | 100% | 0 | 0% |
| Total | 499,828 | 100% | 0 | 0% |

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

| Description | FY 2023-2024 | FY 2022-2023 |
|---------------------------------------|--------------|--------------|
| | Kshs | Kshs |
| At the beginning of the year | 0 | 0 |
| Additional provisions during the year | 0 | 0 |
| Recovered during the year | 0 | 0 |
| Written off during the year | 0 | 0 |
| At the end of the year | 499,828 | 0 |

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16. Property, Plant and Equipment

| Asset | Land Kshs | Buildings 2% Kshs | Furniture and fittings 12.5% Kshs | Computers 33% Kshs | Plant and Equipment 12.5% Kshs | Total Kshs |
|---|--------------|-------------------------|---|--------------------------|--------------------------------------|---------------|
| At 1 July 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions | 7,500,000 | 52,480,855 | 2,624,401 | 690,308 | 563,966 | 63,859,530 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| At 30th June 2023 | 7,500,000 | 52,480,855 | 2,624,401 | 690,308 | 563,966 | 63,859,530 |
| Additions | 0 | 0 | 390,660 | 279,499 | 41,545 | 711,704 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| Double recognised plastic chairs | | | | | (382,647) | |
| At 30th June 2024 | 7,500,000 | 52,480,855 | 3,015,061 | 969,807 | 222,864 | 64,571,234 |
| Depreciation and Impairment | | | | | | |
| At 1 July 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation | 0 | 1,049,617 | 328,050 | 227,802 | 70,496 | 1,675,965 |
| less back Depreciation for Plastic chairs | | | | | (47,831) | (47,831) |
| Disposals | 0 | 1,049,617 | 328,050 | 227,802 | 22,665 | 1,628,134 |
| At 30 June 2023 | 7,500,000 | 51,431,238 | 2,687,011 | 742,005 | 200,199 | 62,560,453 |
| Depreciation | 0 | 1,028,625 | 335,876 | 244,862 | 25,025 | 1,634,388 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| At 30th June 2024 | 7,500,000 | 50,402,613 | 2,351,135 | 497,143 | 175,174 | 60,926,065 |
| Net Book Values | | | | | | |
| At 30th June 2023 | 7,500,000 | 51,431,238 | 2,687,011 | 742,005 | 200,199 | 62,560,453 |
| At 30th June 2024 | 7,500,000 | 50,402,613 | 2,351,135 | 497,143 | 175,174 | 60,926,065 |

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Highland Associates Surveyors on 12th October 2023. These amounts were adopted in the financial statements on 30th June 2023.

16 (b) Property, Plant and Equipment at Cost

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

| Description | Cost | Accumulated Depreciation | NBV |
|---|-------------------|--------------------------|-------------------|
| | Kshs | Kshs | Kshs |
| Land | 7,500,000 | 0 | 7,500,000 |
| Buildings | 52,480,855 | 2,078,242 | 50,402,613 |
| Plant And Machinery | 222,864 | 47,690 | 175,174 |
| Computers and Related Equipment | 969,807 | 472,664 | 497,143 |
| Office Equipment, Furniture, And Fittings | 3,015,061 | 663,926 | 2,351,135 |
| Total | 64,571,234 | 3,352,205 | 60,926,065 |

17. Trade and Other Payables

| Description | FY 2023-2024 | | FY 2022-2023 | |
|---------------------------------------|-------------------|-----------------------|-----------------------|-----------------------|
| | Kshs | | Kshs | |
| Trade payables | 3,483,574 | | 3,483,574 | |
| Fees paid in advance | 1,851,706 | | 1,369,090 | |
| Total Trade and Other Payables | 5,335,280 | | 4,852,664 | |
| | | | | |
| Ageing analysis: | Current FY | % of the Total | Comparative FY | % of the Total |
| Under one year | 0 | 0 % | 4,852,664 | 100% |
| 1-2 years | 9,200,066 | 100% | 0 | 0% |
| Total (to tie to totals above) | 9,200,066 | 100% | 4,852,664 | 100% |

18. Refundable Deposits from Students

| Description | FY 2023-2024 | | FY 2022-2023 | |
|--|-------------------|-----------------------|-----------------------|-----------------------|
| | Kshs | | Kshs | |
| Caution money | 194,138 | | 0 | |
| Total Deposits | 194,138 | | 0 | |
| | | | | |
| | | | | |
| Ageing analysis: | Current FY | % of the Total | Comparative FY | % of the Total |
| 1-2 years | 194,138 | 100% | 0 | 100% |
| Total (to tie to totals deposits above) | 194,138 | 100% | 0 | 100% |

19. Employee Benefit Obligations

The College contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The College obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 12% of the pensionable salaries and wages which is deducted equally between the employee and the employer employee per month. Both Employees and Employers contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

20. Cash generated from operations.

| Surplus for the year before tax | FY 2023-2024 | FY 2022-2023 |
|---|------------------|------------------|
| | Kshs | Kshs |
| Adjusted for: | 5,898,722 | 3,576,274 |
| Depreciation | 1,634,388 | 1,675,965 |
| Working Capital Adjustments | | |
| Increase in Receivables (exchange transaction) | 5,060,273 | (2,306,360) |
| Increase in Receivables (non exchange transactions) | 499,828 | 0 |
| Increase in Trade Payables | 2,378,373 | 2,378,373 |
| Increase in Payables-Fees paid in advance | 482,616 | 1,369,090 |
| Increase in Payables-Caution money | 194,138 | |
| Net Cash Flow from Operating Activities | 4,679,558 | 5,657,912 |

21. Financial Risk Management

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

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

(i) Credit risk

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

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

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

| Description | Total amount Kshs | Fully performing Kshs | Past due Kshs | Impaired Kshs |
|--|----------------------|--------------------------|------------------|------------------|
| At 30 June 2023 | | | | |
| Receivables from exchange transactions | 2,306,360 | 2,306,360 | - | - |
| Receivables from non-exchange transactions | 0 | 0 | - | - |
| Bank balances | 2,695,443 | 2,695,443 | - | - |
| Total | 5,001,803 | 5,001,803 | - | - |
| At 30 June 2024 | | | | |
| Receivables from exchange transactions | 6,911,977 | 6,911,977 | - | - |
| Receivables from non-exchange transactions | 449,828 | 449,828 | - | - |
| Bank balances | 7,234,280 | 7,234,280 | - | - |
| Total | 14,596,085 | 14,596,085 | - | - |

Financial risk management (continued)

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

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

(ii) Liquidity risk management

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

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

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|------------------------|-------------------|--------------------|------------------|------------------|
| | Kshs | Kshs | Kshs | Kshs |
| At 30 June 2023 | | | | |
| Trade Payables | - | - | 3,483,574 | 3,483,574 |
| Prepaid fees | - | - | 1,369,090 | 1,369,090 |
| Total | - | - | 4,852,664 | 4,852,664 |
| At 30 June 2024 | | | | |
| Trade Payables | - | - | 3,483,574 | 3,483,574 |
| Prepaid fees | - | - | 1,851,706 | 1,851,706 |
| Total | - | - | 5,335,280 | 5,335,280 |

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

| Description | In Kshs | Other currencies | Total |
|---|---------|------------------|-------|
| | Kshs | Kshs | Kshs |
| At 30 June 2024 | | | |
| Financial Assets (Investments, Cash, Debtors) | - | - | - |
| Liabilities | | | |
| Trade and Other Payables | - | - | - |
| Borrowings | - | - | - |
| Net Foreign Currency Asset/(Liability) | - | - | - |

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

Foreign currency sensitivity analysis

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

| | Change in currency rate | Effect on Profit before tax | Effect on equity |
|-------------|----------------------------|--------------------------------|---------------------|
| | Kshs | Kshs | Kshs |
| 2023 | | | |
| Euro | 10% | - | - |
| Usd | 10% | - | - |
| 2024 | | | |
| Euro | 10% | - | - |
| Usd | 10% | - | - |

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

iv) Capital Risk Management

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

| Description | FY 2023-2023 | FY 2022-2023 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Retained Earnings | 5,898,722 | 3,576,274 |
| Capital Reserve | 57,653,244 | 58,931,238 |
| Total Funds | 63,551,966 | 62,507,512 |
| Less: Cash and Bank Balances | (7,239,177) | (3,271,323) |
| Net Debt/(Excess Cash and Cash Equivalent) | 56,312,789 | 59,236,189 |
| Gearing | 87% | 95% |

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22. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

| Description | FY 2023-2024 | FY 2022-2023 |
|--|------------------|-----------------|
| | Kshs | Kshs |
| Transactions with Related Parties | | |
| a) Sales to related parties | | |
| Sales of electricity to govt agencies | - | - |
| Rent income from govt. agencies | - | - |
| Water sales to govt. agencies | - | - |
| Others (<i>specify</i>) | - | - |
| Total | - | - |
| B) Purchases from related parties | | |
| Purchases of electricity from kplc | 100,246 | 111,084 |
| Purchase of water from govt service providers | 55,159 | - |
| Training and conference fees paid to govt. agencies | 69,600 | - |
| Total | 225,005 | 111,084 |
| b) Grants /Transfers from the Government | | |
| Grants from National Govt | 2,000,000 | 1,000,000 |
| Total | 2,000,000 | 1,000,00 |
| c) Expenses incurred on behalf of related parties | 0 | |
| Total | 0 | |
| d) Key Management Compensation | | |
| Directors' emoluments | 958,600 | 260,000 |
| Total | 958,600 | 260,000 |

23. Events After The Reporting Period

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

24. Ultimate And Holding Entity

The entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

25. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The College has not been audited for the last financial year.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|-----------------------------------|---------------------|--------------------------------------|---|
| N/A | N/A | N/A | N/A | N/A |



Jeniffer W. Gachago

Accounting Officer

Kigumo Technical and Vocational College

Date 07/05/2025

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Appendix II: Projects Implemented by Kigumo Technical and Vocational College

Projects

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

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

Status of Projects completion

| Project | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|---------|--------------------|------------------------|----------------------|--------|--------|------------------|
| 1 | N/A | N/A | N/A | N/A | N/A | N/A |

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: **Ministry of Education**

Name of beneficiary entity: **Kigumo Technical and Vocational College**

| Confirmation of amounts received by Kigumo Technical and Vocational College as at 30 th June 2024 | | | | | |
|--|----------------|------------------|------------------|------------------|---|
| Reference Number | Date Disbursed | Recurrent (A) | Capitation (B) | Total (C)=(A+B) | Remarks |
| | 11/07/2024 | 500,000 | | | |
| | 02/10/2023 | 500,000 | | 500,000 | |
| | 25/10/2023 | | 899,500 | 899,500 | Capitation was received via Michuki TTI |
| | 18/01/2024 | 500,000 | 1,183,000 | 1,683,000 | |
| | 05/2/2024 | 500,000 | 1,352,000 | 1,852,000 | |
| | 06/06/2024 | - | 1,007,425 | 1,007,425 | |
| Total | | 2,000,000 | 4,441,925 | 6,441,925 | |

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

Head of Accounts Department - Disbursing Entity: Ministry of Education

Name Sign Date

Head of Accounts Department - Beneficiary Entity: Kigumo Technical and Vocational College

Name *Nancy Kiangaxi* Sign *[Signature]* Date **07/05/2025**

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Appendix IV: Reporting of Climate Relevant Expenditures

| Project Name | Project Description | Project Objectives | Project Activities | Project Activities | | | | Source Of Funds | Implementing Partners |
|--------------|---------------------|--------------------|--------------------|--------------------|-----|-----|-----|-----------------|-----------------------|
| | | | | Q1 | Q2 | Q3 | Q4 | | |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

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Appendix V: Reporting on Disaster Management Expenditure

| Column I | Column II | Column III | Column IV | Column V | Column VI | Column VII |
|-----------|---------------|---------------|--|------------------|----------------|------------|
| Programme | Sub-programme | Disaster Type | Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness) | Expenditure item | Amount (Kshs.) | Comments |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A |