


REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 JUN 2025	DAY: TUESDAY
TABLED BY:	Hon. HAOMI WAQO, DEPUTY CHIEF WHIP
CLERK-AT THE-TABLE:	PERPETUAL MUIGA.

PARLIAMENT
OF KENYA
LIBRARY

REPORT

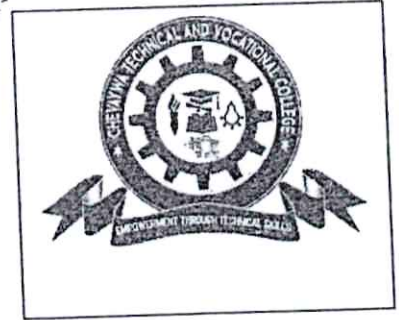
OF

THE AUDITOR-GENERAL

ON

**CHEVAYWA TECHNICAL AND VOCATIONAL
COLLEGE**

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



CHEYAYWA 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)

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

Table of Contents

1. Acronyms and Definition of Key Terms.....	ii
2. Key Entity Information and Management.....	iii
3. The Board of Governors	vii
4. Key Management Team	x
5. Chairman's Statement	xii
6. Report of the Senior Principal.....	xiii
7. Corporate Governance Statement.....	xv
8. Management Discussion and Analysis	xix
9. Environmental And Sustainability Reporting Statement.....	xxi
10. Report of the Board of Governors.....	xxvi
11. Statement of Board of Governors Responsibilities	xxvii
12. Report of the Independent Auditor of Chevanywa Technical and Vocational College.....	xxviii
13. Statement of Financial Performance For The Year Ended 30 June 2024	1
14. Statement of Financial Position As At 30th June 2024	2
15. Statement of Changes in Net Asset For The Year Ended 30 June 2024.....	3
16. Statement of Cash Flows For The Year Ended 30 June 2024.....	4
17. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024.....	5
18. Notes to the Financial Statements.....	6
19. Appendices	29

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.

(This list is an indication of the common acronyms and abbreviations; Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)

2. Key Entity Information and Management

(a) Background information

CHEVAYWA TECHNICAL AND VOCATIONAL COLLEGE was established under the TVET Act 2013. The college was registered as a public Technical Training Institute (TTI) on 27th January, 2022, with registration no; TVETA/PUBLIC/TVC/0003/2022. The College is under the Ministry of Education.

Currently it has the following departments:

- i. Agriculture and Environmental Studies
- ii. Mechanical and Automotive Engineering
- iii. Electrical and electronics Engineering
- iv. Building and Civil Engineering
- v. Hospitality and Tourism
- vi. Fashion design and Cosmetology
- vii. Computing and Informatics
- viii. Liberal studies

(b) Principal Activities

The mandates of the college are:

- i) To implement the curriculum and supervise assessment on behalf of approved Assessment body.
- ii) To implement and promote TVET policy.
- iii) To collect, manage and account for funds obtained from the ministry, production units and development partners.
- iv) To recruit, remunerate, discipline, motivate and retain qualified teaching and non-teaching staff.
- v) To encourage industrial linkages to both staff and trainees.
- vi) To embrace gender balance and equity in staff recruitment, promotion and trainee enrolment.
- vii) To promote innovations, research and income generating projects.
- viii) To develop and improve infrastructural facilities and programmes.

VISION

A lead Institute in innovations and practical skills

MISSION

To train and produce highly qualified personnel, with knowledge, skills and competencies to meet societal and Industrial needs

MOTTO

Skills for Empowerment

CORE VALUES

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

The college is guided by the following core values and competencies:

- Passion for results
- Good Governance
- Respect Equity and Equality
- Customer and Community Focus
- Professionalism and Integrity

(c) 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	Rev. Patrick Shiyonga
3	Deputy principal Academics	Mrs Margaret A. Mukulo
4	Registrar (s)	Mrs. Nancy K. Wanyama
5	Dean of Trainees	Mr Alfred K. Simiyu
6	Head of Finance	CPA Josiah Egadwa

(d) Fiduciary Oversight Arrangements

- Finance Committee
- Education, Training, Research Human Resource and Quality Assurance Committee
- Audit and Risk Committee

(e) Dr. chevaywa Technical and Vocational College Headquarters

P.O. Box 811-50205
Webuye
Off Kakamega - Webuye Road
(Along Mbande - Nambilima - Mungakha Road)

(f) Chevaywa Technical and Vocational College Contacts

Telephone: (254) 0722577441
E-mail: chevaywatvc@gmail.com
Website: www.chevaywatvc.ac.ke

(g) Chevaywa Technical and vocational college Bankers

i. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

ii. Kenya Commercial Bank
P.O Box 152-50100
Kakamega Branch
contactcenter@kcb.co.ke
KAKAMEGA




(h) Independent Auditors

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





(i) 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

1.	 <p>BOG Chairman</p>	<p>NAME: WICKLIFFE MASIBO WAMALWA</p> <p>D.O.B: 1956</p> <p>Key Qualification: Doctorate philosophy public health student-MMUST, MA Rural Sociology and Community Development, Cert in fundamentals of implementation science in health and Community programs</p>
2.		<p>NAME: ANDREW MANYARA MARIGWA</p> <p>D.O.B:26/6/1956</p> <p>Key Qualification: BSC Production Engineering and management 43 years experience as a Chief engineer</p>
3.		<p>NAME: JAEL JOAN BIGAMBO</p> <p>D.O.B: 24/03/1962</p> <p>Key Qualification: PHD, Curriculum Instruction and educational management MED- Education philosophy Bed Philosophy Work Experience: Lecturer at Kibabii, Oginga Odinga and Moi Universities Facilitator of teachers' workshops and seminars</p>




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

4.		<p>NAME: MUMIA KOROTI</p> <p>D.O.B: 1966</p> <p>Key Qualification: BA finance CPA K Work experience: Chief finance officer- Kwale international sugar co. 30 years</p>
5.		<p>NAME: PATRICK W CHINYINGI</p> <p>D.O.B: 1979</p> <p>Key Qualification: MSC- Applied Mathematics. BED Mathematics and Statistics Work experience: Worked in Kisiwa TVC as a trainer, Bungoma North and The Shamberere National Polytechnic as a Deputy Principal, joined Chevaywa TVC as a Principal in 2024 20 years' experience as a trainer</p>
6.		<p>NAME: MARY AUMA ONYANGO</p> <p>D.O.B: 18/12/1993</p> <p>Key Qualification: BSC Water and environmental Engineering, Certificate in project Management for development professionals , corporate governance for public sector, fundraising management Work experience: Program officer, Living water centre Wash Water Eng. Officer, County Government of Kisumu</p>
7.		<p>NAME: DIANA WAKONA</p> <p>D.O.B: 10/3/1984</p> <p>Key Qualification: Bachelor degree in Law, corporate governance Work Experience: Support electoral training in IEBC, Member of county Public Service Board- Kakamega, National Youth council delegate</p>



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

8.		<p>NAME JOSEPH SUNGUTI DOB: 1966 Qualifications: MSC FSC and Tech BSc FSC and Tech Work experience: 25 years in civil service County Director TVET</p>

4. Key Management Team

1.	 <p>Patrick W. Chinyingi Principal</p>	<p>NAME: Patrick W. Chinyingi D.O.B: 1979 Key Qualification: MSC- Applied Mathematics. BED Mathematics and Statistics Work experience: Worked in Kisiwa TVC as a trainer, Bungoma North and The Shamberere National Polytechnic as a Deputy Principal, joined Chevaywa TVC as a Principal in 2024 20 years experience as a trainer</p>
2.	 <p>Margaret Achitsa Mukulo Deputy Principal</p>	<p>D.O. B: 22/12/1973. Key Qualifications: MSc. Food Science and Technology BED. Home Science and Technology, Diploma in Project Management, Cert. in Monitoring and Evaluation . Worked in The Eldoret National Polytechnic as a trainer. Work Experience: 16 years as a trainer Joined Chevaywa TVC in 2023 as a Deputy Principal.</p>
3.	 <p>Nancy Khasiro Wanyama Registrar</p>	<p>D. O. B: 15/11/1978. Key Qualification: BED Technology Diploma: Education management, Technical Education, Mechanical Engineering (plant and service option) Work experience: 14 years as a trainer Worked as a trainer at Bungoma North TVC Joined Chevaywa TVC in 2023 as a Registrar.</p>

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

4.	 <p>Khisa Alfred Simiyu Dean of Students</p>	<p>D.o.B: 15/08/1986 Key Qualifications: MED (Philosophy of Education) BED. Construction Technology BA: Philosophy Diploma in Project Management. Work experience: Worked in Bushangala TVC as a trainer, Joined Chevaywa TVC in 2023 as a Dean of Students 17 years as a trainer</p>
5.	 <p>CPA Josiah A. Egadwa Finance Officer</p>	<p>Name: CPA Josiah A. Egadwa D.O.B : 01/ 01/1973 Qualification: Master of Business Administration (Finance Option)- University of Nairobi, Bachelor of Commerce (Accounting Option)-The Catholic University of Eastern Africa, CPA (K)-Certified Public Accountant of Kenya. Work Experience: Worked as an Accounts Clerk Chavavo Secondary School 2002 to 2009, Bursar Esalwa Sec school 2009 to 2015. Finance And Administrative officer at Eregi Teachers Training college from 2015- 2021, Finance officer- The Shamberere National Polytechnic 2021 to date.</p>

5. Chairman's Statement

On behalf of the Board of Governors (BOG) of Chevaywa Technical and Vocational College (CTVC), I wish to present the Annual report for the FY 2023/2024. The BOG was officially inaugurated on 8th March 2024. Being the first BOG of a starting Technical and Vocational College, we had an uphill task to develop structures and ensure that it is running. It was evident that most of the members had not been on any BOG of a technical college and therefore were to wait for when the Ministry would carry out an induction for them.

Chevaywa TVC Board appreciates The Shamberere National Polytechnic Board and Management for holding and mentoring CTVC until when the CTVC Board was inaugurated. We are still in need of their support because the CTVC structures have not fully been established, including the Finance and Procurement offices, as we try to work out on how to institutionalize the procurement processes, to stop depending on the mentor college. We requested the college administration to seek permission from the Principal Secretary- TVET, to hire a qualified Finance Officer.

The college did not have a Strategic plan, and the relevant policies to guide the operations at CTVC had not yet been developed. I believe they will soon be ready and operational.

The College is sitting on a land bought by NG-CDF Lugari Constituency, whose Title deed indicates 4.0 hactares, approximately ten (10) acres. There is need to engage the Ministry of Land to clarify the ten acres on paper verses physical acreage on the ground before demarcation and further development.

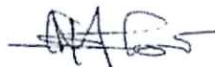
The 2023/2024 Budget and the Procurement Plan had not been prepared since the financial year started before the college opened its doors. There is need to sanitize this and share with the board to avoid future financial issues.

There is urgency for reconciling the Higher Education Loans Board (HELB) loans that had been channelled through The Shamberere National polytechnic to ascertain CTVC credit base. The management was tasked reach out to HELB, to instruct Shamberere to cooperate in the reconciliation process, and make the necessary follow-ups.

The Board appreciated having been involved in the recruitment process of the seven (7) trainers by the Public Service Commission, a process that was carried out in May 2024. We look forward for receiving the trainers to relieve the board on the shortage of trainers.

I would like to appreciate the Board members, the Management, staff, trainees and stakeholders for their commitment throughout the 2023/2024 financial year. Thank you for your continued support.

Signature



Date: 05/07/2024

6. Report of the Senior Principal

It gives me great pleasure to present the annual report for the financial year 2023/2024. I wish to report that this is our maiden year, which has seen us count many blessings with a fair share of challenges, pioneering a college.

On 4th September 2024 the college was launched and we had approximately 300 trainees registering their interest in joining the institution, with me as the first Principal, having been posted to the station in May 2023. This was a humble state with only one block that had been put up and renovated by the NG-CDF, Lugari, 200 trainee chairs supplied by The Shamberere National Polytechnic, and general lack of training facilities. The government Tuition block had not been put up. Owing to the many challenges experienced, there was a high dropout rate which registered 159 trainees by the end of the financial year.

A total of eleven (11) trainers had been posted by the Public service commission (PSC) by the end of the financial year, who were being supported by 11 volunteer trainers.

The courses were launched depending on the expertise of the available trainers, which included, Building, Automotive and Electrical engineering, Plumbing, Masonry, Social work, Hospitality and Institutional management, Fashion and Design, Hairdressing, Information and Communication Technology, and Agriculture. Training was carried out with a lot of innovation and creativity. The agriculture department planted maize on one acre piece of land and building department moulded 500 bricks through the support of the administration.

The College reached out to partners and signed agreements with The KCB Foundation under the *Jijiri* program, and The Care Kenya Foundation, where a total number of 105 trainees were sponsored for National Industrial Training Authority (NITA) courses. There is a strong partnership with the area Member of Parliament- his support is highly appreciated.

The college had nomination of its first members of the Board in December 2023 where after successful processing, the Board of Governors had their first Inauguration meeting at the college on 8th March 2024, with the various committees put in place, under the leadership of Mr. Wickliffe Wamalwa Masibo, as the Chairman. It is anticipated that the Board will work closely with the management to steer and stabilize the college.

The college appreciates the Higher Education Loans Board (HELB) for funding our trainees through loans, funds that were channeled through The Shamberere National polytechnic. Plans are underway for reconciliation to ascertain CTVC credit base.

We appreciate the Ministry of Education, State Department for Technical and Vocational Education Training (SD-TVET) for allocating us seven (7) slots in the recruitment process of the trainers by the Public Service Commission, a process that was carried out in May 2024. We look forward for receiving the trainers to relieve the college on the shortage of trainers.

During the national tree planting day that had been announced by the President, we planted 600 seedlings of different varieties around the college compound, an event that was attended by the Deputy County commissioner, Member of County Assembly, chiefs, assistant chief and village elders.

Trainees represented the college for KATISSO athletics at Bushiangala Technical Training Institute in May 2024 ranked as the best baby institution, and ball games in Matili Technical Training Institute in June 2024 with best runners up in soccer men, performance that marketed and promoted college name. Both were sponsored by The Shamberere National Polytechnic.

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

The college started without power but by the end of the financial year there was installation of electricity by REREC in collaboration with the Area Member of Parliament. The Power house had been constructed and wiring done in all classrooms, courtesy of CDF-Lugari. On 28th June 2024, the official launching of power was done by REREC and different stakeholders attended ranging trainees, trainers, support staff, community members, and government officials. He College appreciates the fact that the college has picked and is on an upward trajectory, and requires that all stakeholders pull up to grow it.

Sign.  
Mr Patrick Chinyingi

Principal/Secretary BOG.

7. Corporate Governance Statement

The college's Board of Management was appointed in 15TH December 2023 by the Cabinet Secretary, Education as per the Ministry's regulations and were inaugurated on 8th March 2024. Members are 8 as listed below,

NO.	NAME	ROLE
1	Mr. Wyckliffe Masibo Wamalwa	(Chair)
2	Rev. Patrick Shiyonga	Secretary
3	Mr. Mumia Koroti	Member
4	Mr. Walter M. Malenya	Member
5	Eng. . Mary Auma Onyango	Member
6	Ms. Diana Wakona	Member
7	Ms. Jael Joan M. Bigambo	Member
8	Ms. Andrew Marigwa	Member
9	Mr. Joseph Sunguti (CD-TVET)	Member

The Board is committed to ensuring good governance of the college by upholding the values of teamwork, integrity, accountability, transparency and fairness.

The Board Meeting Attendance

The Board consists of nine members, the principal being the secretary who attends their meeting as follows:

NO.	NAME	Q1	Q 2	Q 3	Q 4
		DATE	DATE	DATE	DATE
				08/03/2024	03/05/2024
1	Wyckliffe Masibo Wamalwa (Chair)	N/A	N/A	✓	✓
2	Mumia Koroti	N/A	N/A	✓	✓
3	Andrew Marigwa	N/A	N/A	✓	✓
4	Walter M. Malenya	N/A	N/A	✓	✓
5	Diana Wakona	N/A	N/A	✓	✓
6	Jael Joan M. Bigambo	N/A	N/A	✓	✓
7	Rev. Patrick Shiyonga	N/A	N/A	✓	✓
8	Eng. Mary Auma Onyango	N/A	N/A	✓	✓
9	Joseph Sunguti (CDTVET)	N/A	N/A	✓	X

Functions of the Board

FINANCE COMMITTEE

Membership is as below:

NO.	NAME	Q1	Q2	Q3	Q4
		DATE	DATE	DATE	DATE
				08/03/2024	03/05/2024
1.	Mumia Koroti (Chair)	N/A	N/A	✓	X
2.	Andrew Marigwa	N/A	N/A	✓	X
3.	Rev. Patrick Shiyonga	N/A	N/A	✓	X
4.	Mary Auma Onyango	N/A	N/A	✓	X
5.	Joseph Sunguti	N/A	N/A	✓	X

Mandate

1. Oversight of annual operating plan and budget development including recommendation to the management for Board's approval.
2. Oversight of the structure with assistance of staff to develop the fee structure.
3. To ensure the solvency of the college – finance mobilization.
4. To safeguard the college assets.
5. To ensure the effective and efficient use of resources.
6. To ensure that the funds provided by Gok and any other funding body are used in accordance with the terms and conditions specified.
7. To ensure that financial control systems are in place and are working effectively.
8. To facilitate the preparation of the college Strategic Plan for Board approval.
9. To identify and recommend to the Board the college's internal auditors.
10. Ensuring accurate and timely report to the Board on all administrative and financial issues.
11. Implementation and supervision of college's projects.
12. Ensure compliance with all statutory and labour laws in management of staff.

EDUCATION, TRAINING, RESEARCH, HUMAN RESOURCE AND QUALITY ASSURANCE COMMITTEE

Membership is as follows:

NO	NAME	Q1	Q2	Q3	Q4
		DATE	DATE	DATE	DATE
				08/03/2024	03/05/2024
1.	Jael J Bigambo (Chair)	N/A	N/A	✓	✓
2.	Mary A. Onyango	N/A	N/A	✓	✓
3.	Walter Malenya	N/A	N/A	✓	✓
4.	Rev. Patrick Shiyonga	N/A	N/A	✓	✓
5.	Joseph Sunguti	N/A	N/A	✓	✓

Mandate

1. Overseeing the implementation of academic programs and standards.
1. Approval of training programs.
2. Monitoring, evaluating, and reporting of quality of training programs.
3. Ensuring the relevance of training to labour market requirements.
4. Evaluation of the cost and cost effectiveness of various training programs.
5. Determine the optimum enrolment of training programs.
6. Evaluation of assessment criteria, procedure and results.
7. Determination and approval of the certificates to be awarded by the college and other awards.
8. Ensuring the overall competence of College graduates.
9. Promoting research and innovation by staff and students.
10. Promotion and establishment of a culture of excellence in both staff and students.
11. Ensuring that overall pride in the goals and aspirations of the college are embraced and upheld by staff and students.
12. Enhance/promote linkages/collaborations with industry and other stakeholders
13. Enhancement and implementation of the College Policies and Strategic Plan.
14. Oversee hiring and promotion of Board of Governors staff.
15. Discipline of both trainers and Board of Governors staff.
16. Oversee preparation of Graduation Ceremony.

AUDIT AND RISK COMMITTEE

Membership is as follows:

NO.	NAME	Q 1	Q 2	Q 3	Q 4
		DATE	DATE	DATE	DATE
				08/03/2024	03/05/2024
1.	Diana Wakona (Chair)	N/A	N/A	✓	X
2.	Jael Bigambo	N/A	N/A	✓	X
3.	Walter Malenya	N/A	N/A	✓	X
4.	Joseph Sunguti	N/A	N/A	✓	X

Mandate

1. To Examine.
 - Compliance with labour laws and regulations.
 - Compliance with security, health and safety regulations.
 - Compliance with Government of Kenya (GoK) Policy.
 - Compliance with Board of Governors Policy.
 - Compliance with established professional standards.
 - Compliance with ISO guidelines and standards.
 - Compliance with contractual obligations and statutory requirements.
 - Compliance with approved Procurement Plan and Budget.

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

2. To evaluate.
- Achievement of targets and as set in the strategic and work plan.
 - The application of ethical standards and core values in the pursuit of vision goals.
 - Overall efficiency and effectiveness.
 - Financial records and reporting.
 - Benefits of the use of technology.
 - The level of utilization of existing capacity all round
 - Achievement of revenue targets.
 - The level of financial discipline.
 - Risk associated with non- optimal stock levels.
 - Risk associated with non – compliance with statutory and contractual obligations.
 - Cash in transit systems.
 - Relations with and levels of satisfaction of key stakeholders.
 - Spread and diversification of risks.
 - Litigation risks and costs.
 - And to identify insurable and non-insurable risk.

8. Management Discussion and Analysis

SECTION A

CTVC's operational and financial performance

Development Grants

The college received capitation grants from the Ministry of Education State Department of TVET in Q1, Q2 and Q3. It did not receive the Q4 grants. However, the funds were channelled to The Shamberere National Polytechnic, Our Mentors. There needs to be a reconciliation between The Shamberere National Polytechnic and Chevaywa Technical and Vocational College.

Capitation Grants

The College never received any capitation from the Government of Kenya during the Financial year 2023/2024.

Financial Performance

In the financial year under review, the total income was Kshs. 9,425,291 while the expenditure was Kshs. 2,705,986. This resulted in a surplus of Kshs. 6,719,305

SECTION B

Entity's compliance with statutory requirements

In the financial year under review, CHEVAYWA TVC complied with all the statutory obligations.

SECTION C

Key projects and investment decisions

CTVC is planning to:

- ✓ Construct the college cafeteria
- ✓ Construct and stock the college library
- ✓ Secure the college with a barbed wire fence
- ✓ Construct the college main gate
- ✓ Increase the number of training halls

All the above projects shall be funded by the Government capitation, NG-CDF Lugari and students' college fees.

SECTION D

Major risks facing CTVC

The College financial assets are trade receivables and short-term deposits which arise directly from its operations. The College has financial liabilities comprising trade and other payables, with exposure to the following risk:

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

Liquidity risk: This means that the college will not be able to meet its financial obligations as they fall due. The College's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the College's reputation. Typically, the college ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters and political violence.

SECTION E

Material arrears in statutory/financial obligations

CHEVAYWA TVC did not have any material arrears in statutory/financial obligations in the financial year under review.

SECTION F

CTVC's financial probity and serious governance issues

The College did not have any major financial improbity reported by the Audit, Risk and Report of the Board of Governors

9. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

Chevaywa Technical and Vocational College is committed to sustainability, guided by top management and aligned with international best practices and governmental directives

Political and Macroeconomic Trends:

1. Government Initiatives: The College actively follows national policies on environmental conservation, including recent presidential directives on sustainability.
2. Economic Conditions: Economic fluctuations influence our sustainability investments, but we remain committed to integrating these practices into our operations.

Key Achievements:

Water Bottling Initiative: Incorporates environmentally friendly practices, including recycling and reducing plastic waste.

Shortcomings and Failures:

1. Market Entry Challenges: Difficulties in penetrating the water bottling market and achieving all sustainability targets.
2. Resource Constraints: Limited resources affecting full implementation of some sustainability initiatives.

Environmental Performance

Environmental Policy: Our policy focuses on minimizing environmental impact through waste management, energy conservation, and sustainable resource use. The policy is documented and reviewed regularly.

Successes:

Waste Management: Effective waste segregation and recycling programs.
Biodiversity Efforts: Maintenance of green spaces and support for local conservation.

Shortcomings:

Limited Resources: Constraints impacting full policy implementation.

Presidential Directive:

Tree Planting Campaign: In line with a presidential directive, the College has launched a campaign encouraging each staff member to plant at least 30 trees. This initiative aims to enhance our commitment to environmental sustainability and contribute to reforestation efforts.

Chevaywa Technical and Vocational College is dedicated to advancing sustainability through strategic initiatives and compliance with environmental policies. We strive to continuously improve our practices and contribute positively to the environment and community.

Employee welfare

1. Hiring Process and Gender Ratio

Hiring Policies:

1. **Recruitment Guidelines:** The College follows a structured hiring process designed to ensure fairness, transparency, and merit-based selection. Job vacancies are advertised publicly, and candidates undergo a rigorous selection process involving interviews and assessments.
2. **Gender Ratio:** Our hiring policies promote gender equity, aiming for a balanced gender ratio across all levels of the organization. We strive to eliminate biases and provide equal opportunities regardless of gender.

Stakeholder Engagement:

1. **Engagement:** The College engages various stakeholders, including current employees, community representatives, and industry experts, to gather input on hiring practices and employee welfare. Feedback is collected through surveys, focus groups, and consultations.
2. **Review and Improvement:** The hiring policies are reviewed annually to incorporate stakeholder feedback and adapt to changing needs. Improvements are made based on evaluations and emerging best practices.

2. Skill Improvement and Career Management

Skill Development:

1. **Training Programs:** The College offers a range of training and development programs to enhance employees' skills and competencies. These include workshops, seminars, and continuing education opportunities.
2. **Career Management:** Career development plans are established for employees, including regular career counselling and guidance to support professional growth and progression.

Appraisal and Reward Systems:

1. **Performance Appraisal:** Employees undergo annual performance appraisals to assess their achievements and areas for improvement. The appraisal process is designed to be fair and objective, involving self-assessment, peer reviews, and supervisory evaluations.
2. **Rewards and Recognition:** The College has a structured reward system that includes financial incentives, promotions, and non-monetary recognition to acknowledge and motivate high-performing employees.

3. Safety and Compliance

Safety Policy:

1. **Policy Overview:** The College is committed to ensuring a safe and healthy work environment. Our safety policy outlines procedures for maintaining workplace safety, handling emergencies, and promoting health and wellness among employees.
2. **Compliance with OSHA:** We comply with the Occupational Safety and Health Act of 2007 (OSHA), adhering to its standards and regulations. Regular safety audits and inspections are conducted to ensure ongoing compliance and address any issues promptly.

Implementation and Monitoring:

1. **Safety Training:** Employees receive training on safety protocols and procedures to prevent accidents and injuries.
2. **Reporting and Response:** There are established channels for reporting safety concerns, and prompt responses are ensured to address any issues that arise.

Chevaywa Technical and Vocational College is dedicated to fostering a supportive and equitable work environment. Our policies and practices in hiring, skill development, appraisal, and safety are designed to enhance employee welfare and ensure compliance with relevant regulations. We continuously seek to improve these practices based on stakeholder feedback and evolving best practices.

Market place practices-

a) Responsible Competition Practice:

- **Anti-Corruption:** The College maintains strict anti-corruption policies and practices, ensuring transparency and integrity in all operations. We have established mechanisms for reporting and addressing any unethical conduct.
- **Responsible Political Involvement:** The College avoids any undue political influence or involvement. Our operations are strictly aligned with legal and ethical standards, ensuring impartiality and fairness.
- **Fair Competition:** We adhere to fair competition principles, respecting the rights of competitors and avoiding practices that could harm competition. This includes transparent procurement processes and ethical business practices.

- Respect for Competitors: We foster a culture of respect for competitors by engaging in ethical business conduct and refraining from actions that could undermine their operations or reputation.

b) Responsible Supply Chain and Supplier Relations:

- Business Practices: The College is committed to maintaining high standards in its business practices, ensuring that our operations are ethical and compliant with relevant regulations.
- Supplier Responsibility: We honor contracts with suppliers and respect payment practices. Timely payments and fair treatment are fundamental to our relationships with suppliers.
- Contractual Obligations: We ensure that all contractual obligations are met and that suppliers are treated fairly throughout the duration of their engagement with the College.

c) Responsible Marketing and Advertisement:

- Ethical Marketing: The College adheres to ethical marketing practices, ensuring that all marketing and advertising activities are truthful and not misleading. We avoid making exaggerated claims and ensure that our promotional materials are accurate and honest.
- Transparency: Our marketing practices are transparent, and we provide clear information about our programs, services, and products to avoid any potential misinformation.

•

c) Product Stewardship:

- Consumer Rights and Interests: We are committed to safeguarding consumer rights by ensuring the quality and safety of our products and services. We provide clear and accurate information to consumers and address any concerns or complaints promptly.
- Feedback Mechanisms: We have established channels for receiving and addressing consumer feedback, ensuring that their interests are protected and that any issues are resolved effectively.

Corporate Social Responsibility (CSR) and Community Engagements

CSR Activities:

- Water Kiosk: The College operates a water kiosk that provides clean and safe drinking water to the local community, supporting public health and improving access to essential resources.
- Sports Department: Our active sports department participates in all KATTI Sports events, promoting physical fitness and community engagement through sports
- Education and Training: We promote education and staff development through training programs and workshops, enhancing skills and professional growth.

Community Engagements:

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

Chevaywa Technical and Vocational College is dedicated to responsible marketplace practices and robust corporate social responsibility. We strive to uphold ethical standards in competition, supply chain management, marketing, and product stewardship, while actively contributing to the community through various CSR initiatives. Our commitment to education, sports, and community support reflects our broader goal of making a positive impact on society.

10. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of CTVC affairs.

Principal activities

Chevaywa Technical and Vocational College is dedicated to the following mandate:

- **Training and Development:** We focus on training and developing middle-level manpower essential for national development. Our programs are designed to advance, transmit, and enhance technical and entrepreneurial skills and knowledge, preparing individuals for self-employment and contributing to the national production system.
- **Educational Offerings:** The College offers a range of courses leading to the award of Artisan, Craft, and Diploma Certificates in various Technical and Vocational Education and Training (TVET) programs. We collaborate with other tertiary institutions and industry partners to ensure that our courses are relevant and aligned with industry standards and needs.

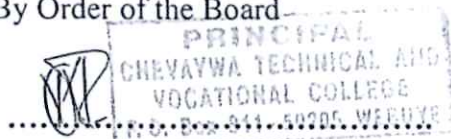
Board of Governors

The members of the Board who served during the year are shown on pages vi-viii. As of 30 June 2024, no members of the Board of Governors retired or resigned during the year.

Auditors

The office of the Auditor General is responsible for the statutory audit of the Chevaywa Technical And Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants were nominated by the Auditor General to carry out the audit of Chevaywa Technical And Vocational College for the period 1st July 2023 to 30th June 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Secretary of the Board of Governors

ChevaywaTVC

Date:

11. Statement of Board of Governors Responsibilities

Section 83 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 members to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of CTVC at the end of the financial period and the operating results of CTVC for that period. The Board members are also required to ensure that CTVC keeps proper accounting records which disclose with reasonable accuracy the financial position of CTVC. The Board members are also responsible for safeguarding the assets of CTVC.

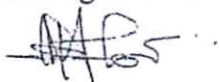
The Board members are responsible for the preparation and presentation of CTVC's financial statements, which give a true and fair view of the state of affairs of CTVC for and as at the end of the financial period ended on 30th June, 2024. This responsibility includes: (i) maintaining adequate financial 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 CTVC; (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 mis-statements, whether due to error or fraud; (iv) safeguarding the assets of CTVC; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for CTVC'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 State Corporations Act, and the TVET Act) – entities should quote applicable legislation as indicated under). The Board members are of the opinion that CTVC's financial statements give a true and fair view of the state of entity's transactions during the period ended 30th June, 2024 and of CTVC's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for CTVC, which have been relied upon in the preparation of CTVC's financial statements as well as the adequacy of the systems of internal financial control.

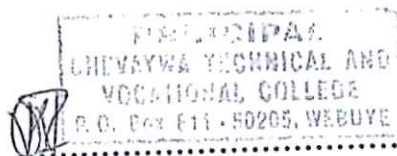
Nothing has come to the attention of the Board members to indicate that CTVC will not remain a going concern for at least the next twelve months from the date of this statement

Approval of the financial statements

Chevaywa Technical and Vocational College financial statements were approved by the Board on 5/7/2024 and signed on its behalf by:



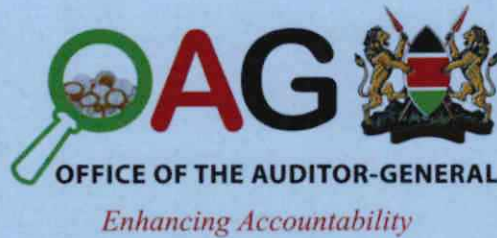
.....
Name: Mr. Wycliffe Masibo Wamalwa
Chairperson of the Board of Governors



.....
Name: Mr. Patrick Chinyingi
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON CHEVAYWA 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 Chevaywa Technical and Vocational College set out on pages 1 to 29, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of

Report of the Auditor-General on Chevaywa Technical and Vocational College for the year ended 30 June, 2024

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

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

Basis for Qualified Opinion

1. Unsupported Property, Plant and Equipment Balance

The statement of financial position and Note 16 to the financial statements reflect property, plant and equipment balance of Kshs.15,304,000. However, Management did not provide valuation report to support the disclosed balances. Further, during the year under review, Management did not maintain a non-current asset register contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control and possession as prescribed by the relevant laws.

In the circumstances the accuracy and completeness of property, plant and equipment balance of Kshs.15,304,000 could not be confirmed. In addition, Management was in breach of the law.

2. Inaccuracy of the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts does not include budget amounts as required by reporting template prescribed by the Public Sector Accounting Standards Board. Further, approved budget for the College was not provided for audit review.

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual amounts could not be confirmed.

3. Unsupported Capital Fund

The statement of financial position reflects capital fund balance of Kshs.15,614,740. However, the nature of the balance was not disclosed by way of Note to the financial statements and was not supported by any documentation.

In the circumstances, the accuracy and completeness of capital fund balance of Kshs. 15,614,740 could not be confirmed.

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

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

The Management is responsible for the Other Information set out on page iii to xxvii which comprise of Key Entity Information and Management, the Board of Governors, Key Management Team, Chairman's Statement, Report of the Senior Principal, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Board of Governors and Statement of Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

1. Late Submission of Financial Statements

During the year under review, the College's financial statements for the year ended 30 June, 2024 were submitted to the Auditor-General for audit on 24 March 2025, one hundred and seventy four (174) days late contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 which states that the Accounting Officer of a National Government entity should prepare annual financial statements for each financial year within three months after the end of the financial year, and submit them to the Controller of Budget and the Auditor-General for audit, and in the case of a National Government entity, forward a copy to The National Treasury.

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

2. Non-Compliance with Law on Staff Ethnic Diversity

Review of staff bio data for the month of June, 2024 revealed that the College had sixty (60) members of staff on contract, permanent and pensionable terms, out which forty-three (43) staff members or 72% were from one ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which states that no public establishment shall have more than one third of its staff from the same ethnic community.

In the circumstances, 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 effect 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. Lack of Imprest Register

During the year under review, it was observed that Management did not maintain an imprest register detailing the name of applicant, amount applied, imprest due date, imprest date of surrender and any outstanding balances.

In the circumstances, the effectiveness of the internal controls on issuance of imprest could not be confirmed.

2. Lack of Risk Management Policy

During the year under review, the College did not have an approved risk management policy to guide its operations contrary to Regulation 165(1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer should ensure the national government entity develops risk management strategies including fraud prevention mechanism and internal control that builds robust business operations.

In the circumstances, the effectiveness of the College's risk management could not be confirmed.

3. Lack of Approved Strategic Plan

During the year under review, the College did not have an approved strategic plan contrary to Section 68(2) (g) of the Public Finance Management Act, 2012 which states that an Accounting Officer should prepare a strategic plan for the entity in conformity with the medium- term fiscal framework and fiscal policy objectives of the National Government.

In the circumstances, Management risks having ineffective strategies to deliver on its mandate.

4. Lack of Debt Management Policy

The statement of financial position reflects receivables from exchange transactions balance of Kshs.6,825,657. However, during the year under review, the College did not have an approved debt management policy to guide debt management contrary to Regulation 83(2)(g) of the Public Finance Management (National Government) Regulations, 2015 which provides that sound cash management includes pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the Government are collected and banked promptly.

In the circumstances, the effectiveness of the College's debts management could not be confirmed.

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 the Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 May, 2025

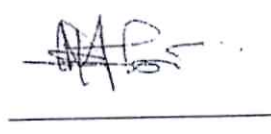
Chevaywa Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

13. Statement of Financial Performance For The Year Ended 30 June 2024

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Revenue from non-Exchange transactions			
Transfers from other National Government entities	6	2,000,000	-
		2,000,000	-
Revenue from Exchange transactions			
Rendering of services- fees from students	7	7,327,991	-
Other incomes	8	97,300	-
Revenue from Exchange transactions		7,425,291	-
Total Revenue		9,425,291	-
Expenses			
Use of goods and services	9	2,008,986	-
Employee costs	10	401,000	-
Depreciation	11	296,000	-
Total Expenses		2,705,986	-
Net surplus for the year		6,719,305	-

(The notes set out on pages 6 to 28 form an integral part of the Annual Financial Statements).

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



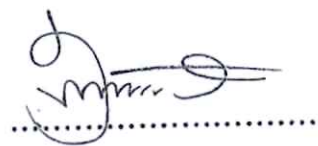
Chairman of Board
 Mr. Wycliffe M. Wamalwa

Date 05/07/2024



Principal
 Mr. Patrick Chinyingi

Date: 05/07/2025




Finance Officer
 ICPAK No: 14179
 CPA Josiah Egadwa
 Date: 05/07/2024

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


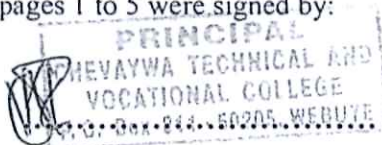
14. Statement of Financial Position as at 30th June 2024

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	12	591,227	-
Receivables from exchange transactions	13	6,825,657	-
Receivables from non-exchanger transaction	14	1,500,000	-
Inventories	15	14,740	-
Total Current Assets		8,931,624	-
Non-Current Assets			
Property, plant, and equipment	16	15,304,000	-
Total Non-Current Assets		15,304,000	-
Total Assets (A)		24,235,624	-
Liabilities			-
Current Liabilities			-
Trade and other payables from exchange transactions	17	1,901,579	-
Total Current Liabilities		1,901,579	-
Total Liabilities		1,901,579	
Accumulated Surplus		6,719,305	
Capital Fund		15,614,740	
Total net assets		22,334,045	
Total liabilities and net assets		24,235,624	

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



Chairman of Board
Mr. Wycliffe M. Wamalwa
Date: 05/07/2024

Principal
Mr Patrick Chinyingi
Date: 05/07/2024



Finance Officer
ICPAK No: 14179
CPA Josiah Egadwa
Date: 05/07/2024

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

Description	Accumulated Fund	Capital	Total
		Grants/Fund	
At July 1, 2023			-
Surplus/(deficit) for the year	-	-	-
Retained earnings			-
At June 30, 2023	-	-	
At July 1, 2023			6,719,305
Surplus for the year	6,719,305	-	15,614,740
Capital grants received during the year	-	15,614,740	
Retained earnings			22,334,045
At June 30, 2024	6,719,305	15,614,740	

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

16. Statement of Cash Flows for the Year Ended 30 June 2024

Description		2023/2024	2022/2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6a	500,000	-
Rendering of services- fees from students	6a	502,334	-
Other income	8	97,300	-
Total Receipts		1,099,634	-
Payments			
Use of goods and services	6a	107,407	-
Employee costs	10	401,000	-
Total Payments		508,407	-
Net Cash Flows from operating activities		591,227	-
Cash and Cash equivalents at 1 JULY 2023		-	-
Cash and Cash equivalents at 30th JUNE 2024		591,227	-

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

Description	Original budget Kshs	Adjustments Kshs	Final	Actual on
			Budget Kshs	comparable basis Kshs
Revenue	-	-	-	500,000
Transfers from other National Government entities	-	-	-	502,334
Rendering of services- fees from students	-	-	-	97,300
Other income	-	-	-	1,099,634
Total Income	-	-	-	
Expenses	-	-	-	107,407
Use of goods and services	-	-	-	401,000
Employee costs	-	-	-	508,407
Total Expenditure	-	-	-	591,227
Surplus For the Period				

(Budget notes)

There was no budget for the financial year 2023/2024 since the college was inaugurated in September 2023 hence the Nil values on the budget and therefore no comparison made

6(a)

Reconciliation Between Statement of Financial Performance and Budget Performance

Items	Amount in the statement of financial performance	Amount in the statement of budget performance	Difference	Explanation
Transfers from other National Government entities	2,000,000	500,000	1,500,000	Capitation disbursed to mentor institution
Rendering of services- Use of goods and services-	7,327,991 2,008,986	502,334 107,407	6,825,657 1,901,579	Fees arrears Trade and other payables.

18. Notes to the Financial Statements

1. General Information

Chevaywa Technical and Vocational College entity is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to train and produce highly qualified personnel, with knowledge, skills and competencies to meet societal and Industrial needs.

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. 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.

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

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.

Chevaywa 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 at 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

CTVC did not early adopt any new or amended standards in year 2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

CTVC 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 Chevanywa TVC.

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

Since the college was inaugurated on 4th September 2023, there was no budget prepared or approved for the financial year 2022/2023 hence no comparison made.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per Schedule 2 of the Income Tax Act (Cap 470). Therefore, no provision for income tax is required in these financial statements

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 initially measured at cost, including transaction costs, with subsequent costs recognized only if they meet the recognition criteria. If acquired through a non-exchange transaction, they are measured at fair value on the acquisition date. After initial recognition, entities can either apply the cost model, where the asset is depreciated over a defined period, or the fair value model, where changes in value are recognized in surplus or deficit.

Investment properties are derecognized when disposed of or when they no longer provide economic benefits. Gains or losses from disposal are recognized in the surplus or deficit. Transfers to or from investment property occur only when there is a change in use, such as shifting from rental or investment purposes to operational use, which would then classify the property under PPE.

Since Chevaywa TVC land and buildings are dedicated to learning activities, They are categorized under property, plant, and equipment (PPE).

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. When an asset is acquired, full depreciation will be charged in the year of purchase and no depreciation will be charged in the year of disposal.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the CTVC. 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 Chevaywa TVC 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.

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

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

Chevaywa TVC expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Chevaywa TVC 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. Chevaywa TVC 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, Chevaywa TVC 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

Chevaywa TVC 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

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

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, Chevaywa TVC 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

Chevaywa Technical and Vocational College 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. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) .

Financial liabilities

Classification

Chevanywa TVC 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.

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

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

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

k) Provisions

Provisions are recognized when the Chevaywa TVC 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 Chevaywa TVC 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

Chevaywa TVC 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

Chevaywa TVC 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 Chevaywa TVC 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

Chevaywa TVC creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

Chevaywa TVC provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

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

Chevaywa TVC regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the 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

Chevaywa TVC 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 Chevaywa TVC 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, Chevaywa TVC 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 the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Chevaywa TVC 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 Chevaywa Technical and Vocational Colleges.
- 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 .

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.

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

6. Transfers from other National Government entities

Description	2023/2024	2022/2023
	Kshs	Kshs
Capitation Grants	2,000,000	-
Total Government Grants and Subsidies	2,000,000	-

The Amount were sent to The Shamberere National Polytechnic, our Mentors. The Shamberere NP later transferred ksh. 500,000 to our Account. There need to be reconciliation between the two institutions for the other Balances.

7. Rendering of Services

Description	2023/2024	2022/2023
	Kshs	Kshs
Tuition Fees	5,399,318	-
Activity Fees	214,000	-
Industrial Attachment Fees	194,000	-
Local travel and transport	311,846	-
KUCCPS	193,731	-
Personal Emoluments	683,606	-
Student Union	158,040	-
EWC Income	72,800	-
Caution Money	100,650	-
Total Revenue from The Rendering of Services	7,327,991	-

8. Other Income

Description	2023/2024	2022/2023
	Kshs	Kshs
Admission fee	57,000	-
TVETA	18,000	-
Student Id	22,300	-
Total other income	97,300	-

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

9. Use of Goods and Services

Description	2023/2024	2022/2023
	Kshs	Kshs
Local Travels and transport	985,000	-
KUCCPS	70,000	-
Tuition expense	951,579	-
Bank charges	2,407	-
Total good and services	2,008,986	-

10. Employee Costs

Description	Period ended 30 th June 2023	Period ended 30 th June 2022
	Kshs	Kshs
Stipend for teaching and non-teaching staff	401,000	-
Employee Costs	401,000	-

11. Depreciation and Amortization expense

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, plant and equipment	296,000	-
Total depreciation and amortization	296,000	-

12. Cash and Cash Equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Account(Main Account)	591,226.50	-
Total Cash and Cash Equivalents	591,226.50	-

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

13. Receivables from Exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Receivables		
Student Debtors	6,825,657	-
Total Current Receivables	6,825,657	-

(a) Ageing Analysis of Receivables from Exchange transactions

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	Current F	% of total	Comparative FY	% of total
Less than 1 year	6,825,657	100%	-	-
Total	6,825,657	100%	-	-

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

14. Receivables from Non-Exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Receivables		
GOK Capitation Grants Q4	1,500,000	-
Total Current Receivables	1,500,000	-

15. Inventories

Description	2023/2024	2022/2023
	Kshs	Kshs
Consumable items	14,740	-
Total Inventories at lower of Cost and Net Realizable Value	14,740	-

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

16. Property, Plant and Equipment

Cost	Land	Buildings 2%	Furniture and fittings 12.5%	Plant and Equipment 12.5%	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2023					15,600,000
Additions	5,000,000	9,800,000	800,000	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	15,600,000
At 30 th June 2024	5,000,000	9,800,000	800,000	-	-
Depreciation And Impairment					
At 1 July 2023	-	-	-	-	296,000
Depreciation for the period	-	196,000	100,000	-	15,304,000
At 30 Jun 2024	5,000,000	9,604,000	700,000	-	-
Net Book Values					15,304,000
At 30 th Jun 2024	5,000,000	9,604,000	700,000	-	-
At 30 th Jun 2023	-	-	-	-	-

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

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	5,000,000	-	5,000,000
Buildings	9,800,000	196,000	9,604,000
Office Equipment, Furniture, And Fittings	800,000	100,000	700,000
Total	15,600,000	296,000	15,304,000

17. Trade and Other Payables

Description	2023/2024	2022/2023
	Kshs	Kshs
Trade payables	236,558	-
Accounts payable	1,665,021	-
Total	1,901,579	-

18. 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.

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

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:

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

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

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.

(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

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

amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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.

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.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20XX: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20XX – Kshs xxx)

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. **Related Party Balances**

Nature of related party relationships

The Government of Kenya is the principal shareholder of the *CTVC* holding 100% of Chevanywa TVC 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 Governors;
- v) Employees
- vi) Financial Institutions-Banks

19. Segment Information

In accordance with IPSAS 18 on Segmental Reporting, entities are required to present segment information to enable users to understand the entity's performance and the allocation of resources across different segments. However, Chavanywa Technical and Vocational College does not operate in multiple geographical regions or distinct operational departments that necessitate the disclosure of segmental information.

As such, the College does not have any segment information to report. All activities of the College are managed and reported as a single segment, and therefore, no further segmental analysis is provided in these financial statements.

Contingent Assets and Contingent Liabilities

20. Events After The Reporting Period

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

21. Ultimate And Holding Entity

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

22. Currency

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

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

19. Appendices


Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

Guidance Notes:

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


 Name ATLWIC CHITMY (NLT)
 Accounting Officer
 Chevaywa Technical and Vocational College
 Date 28/04/2025

Appendix II: Projects Implemented by Chevanywa Technical and Vocational College

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners.
There was no ongoing project during the FY 2023/2024

Status of Projects completion

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

Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-

Nil Report:

During the financial year 2023/2024, the institution did not undertake any projects specifically categorized under climate-relevant expenditure

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

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

Nil Report:

During the financial year 2023/2024, the institution did not incur any expenditures related to disaster management, including response, recovery, mitigation, or preparedness.

2 55
1
3
4
5
6
7
8
9
10

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101