

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
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TABLED OF	DEPUTY LEADER OF THE MAJORITY PARTY
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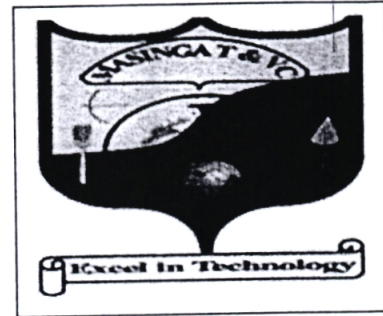
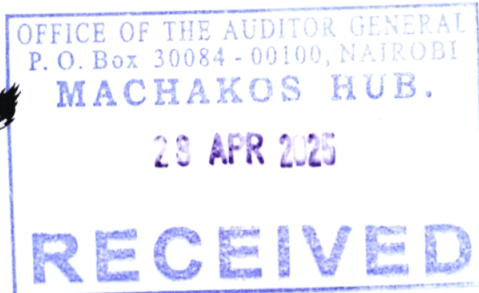
PARLIAMENT  
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**THE AUDITOR-GENERAL**

**ON**

**MASINGA TECHNICAL AND VOCATIONAL  
COLLEGE**

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



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**MASINGA TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2023**

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



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**1. Acronyms & Glossary of Terms**

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
Fiduciary Management	Key management personnel who have financial responsibility in the entity

**2. Key Entity Information and Management**

**(a) Background information**

The Masinga Technical and Vocational College was established under the TVET Act 2013. The entity is domiciled in Kenya. The institute is under the Ministry of Education.

**(b) Principal Activities**

The principal activity/mission/ mandate of the entity is to produce graduates with competent skills that meet the dynamic demands of the industry.

**Motto:**

Excel in Technology

**Vision Statement:**

To be a Centre of Excellence in the provision of Vocational and Technical Training.

**Mission Statement:**

To produce graduates with competent skills that meet the dynamic demands of the local and global industry.

**Core Values:**

- Inclusivity, focus, respect for cultural diversity (people and culture)
- Professionalism, ethical practices, honesty and integrity
- Transparency and Accountability in all activities
- Partnership and Community Engagement, teamwork and collaboration
- Innovativeness and Creativity

**(c) Key Management**

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

- Board of Governors
- Accounting Officer/Principal
- Deputy Principal
- Dean of Students
- Head of Finance
- Heads of Department

**(d) Fiduciary Management**

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

SN.	Designation	Name
1.	Principal	Kenneth C. K. Njoroge
2.	Deputy principal Finance/Academics	Titus Nzioki
3	Registrar (s)	Robert Munyiri
4	Dean of students	Jacinta Mutula
5	Head of Finance	Ngunya Mutinda

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

**(e) Fiduciary Oversight Arrangements**

**Audit Committee**

The activities of the Audit Committee include:

**a. Governance initiatives:**

Review and provide oversight on governance initiatives established by the BOG and maintained by the organization.

**b. Risk management:**

Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.

**c. Internal control framework:**

Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.

**d. Audit activity:**

Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.

**e. Follow up on management action plans:**

The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.

**f. Financial statements and public accountability reporting:**

The audit committee shall review and provide advice to the BOG on the key financial management and performance reports and disclosures issued to the public.

**Finance Committee of the BOG**

The Committee shall exercise all the powers of BOG in financial matters except in relation to the items which are reserved to BOG in these Standing Orders, on which the Committee shall advise BOG Terms of Reference. The role of the Committee shall be to monitor the financial status of the Institute on behalf of BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

- i. To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters.
- ii. To receive reports from the Principal and the Finance Officer.
- iii. To monitor implementation of the strategy for the Institute.
- iv. To receive reports of the extent and condition of the Institute estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
- v. To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- vi. To determine the fees and charges made for Institute services and facilities.

- vii. To supervise the financial administration of the Institute and make recommendations to BOG where appropriate.
- viii. To supervise the arrangements for safeguarding the Institute's assets.
- ix. To ensure the proper financial evaluation and control of projects.
- x. To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments.
- xi. To make recommendations to BOG on the financing of projects.

#### **Senior Management Activities**

The main purpose of the Senior Management Team is to:

- (a) Ensure that Masinga Technical and Vocational College's BOG is able to take strategic decisions relating to Masinga Technical and Vocational College's activities.
- (b) Provide leadership in communicating Masinga Technical and Vocational College's mission, values, plans and achievements effectively and consistently to BOG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- (c) Be accountable for the development and implementation Masinga Technical and Vocational College's strategic, corporate and business plans in line with the mission and values.
- (d) Take a strategic overview of performance in all areas of Masinga Technical and Vocational College's activities.

Specifically, the Senior Management Team:

- i. Makes recommendations to the BOG on the implementation and achievement of the BOG's Strategic Framework;
- ii. Reviews Masinga Technical and Vocational College's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- iii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- iv. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of Masinga Technical and Vocational College's, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- v. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- vi. Oversees and monitors Masinga Technical and Vocational College joint work with the other stakeholders

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- vii. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOG and/or its relevant Committees.
- viii. Leads all senior managers in motivating and developing Masinga Technical and Vocational College staff to deliver the highest standards of performance and customer service.

**Academic committee activities**

The academic committee of the Board is entrusted with the following roles and functions:

- a. To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board
- b. To propose regulation for consideration by the Board regarding the eligibility of persons for admission to a course of study
- c. To propose regulations for consideration by the Board regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
- d. To approve programs of study, regulate admission of persons to MASINGA TVC and determine their continuance or discontinuation in such programs
- e. To determine the Academic policy of MASINGA TVC and to advice the Board on the provision of facilities to carry out that policy
- f. To direct and regulate the teaching and instruction within the College subject to the powers of the Board.

**(f) Entity Headquarters**

Masinga Technical and Vocational College  
P.O Box 181-90141,  
MASINGA-KENYA

**(g) Entity Contacts**

Telephone: ( 254) 746327094  
E-mail: [masingatechnical@gmail.com](mailto:masingatechnical@gmail.com)  
Website: <https://masingatechnical.ac.ke/>

**(h) Entity Bankers**

Kenya Commercial Bank  
P.O Box 147-90119  
Matuu, Kenya.

Equity Bank Ltd  
P.O Box 58-90119  
Matuu, Kenya





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

(i) **Independent Auditors**  
Auditor-General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya






(j) **Principal Legal Adviser**  
  
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

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**3.Board of Governors**






	Portrait/Photo	Details
1.		<p><b>Name:</b> Kenneth CK Njoroge  <b>Date of Birth;</b> 25/09/1966  <b>Education</b>            Higher Diploma in Entrepreneurship Development  <b>Experience</b>            Mr. Kenneth Njoroge has a wide experience in management especial education sector after raising through the ranks to the deputy principal before being promoted to the position of the principal.</p>
2.		<p><b>Name:</b> Patrick Kithome  <b>Date of Birth;</b>05/02/1965.            Bachelor of Arts Degree in Building Economics (University of Nairobi 1990)  <b>Experience</b>            Mr. Kithome has great experience from serving various boards in different capacities</p>
3.		<p><b>Name:</b> Gillian Chambira  <b>Date of Birth</b>  <b>Education</b>            Bachelor of Commerce (Marketing)            2<sup>ND</sup> Class honours-Upper Division            University of Nairobi            Certificate in basic computer application (2014)            Bishop Gatimu Ngandu Girls (K.C.S.E)1991-1995</p>
4.		<p><b>Name:</b> Anne Wanjiru Kariuki  <b>Date of birth.</b> 25/10/967  <b>Qualifications:</b> Bachelor of Philosophy in Electrical &amp; Electronic; Higher Diploma in Electrical &amp; Electronics Engineering  <b>Work Experience: Over 20 Years</b></p>

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5.		<p>Name: John Wamae  <b>Date of birth. 1969</b>  <b>Qualifications.</b> Masters in Applied Statistics.          County Director  <b>Work Experience: Over 10 years</b></p>
6.		<p>Name: Alex Kioka Mutula  <b>Date of birth: 30.03.1993</b>  <b>Qualifications:</b> Bachelor of Science in Mathematics and Statistics  <b>Work Experience: 6 Years</b></p>
7.		<p>Name: Joachim Ndolo Kalamu  <b>Date of birth: 2/03/1987</b>  <b>Qualifications: Bachelor of Laws</b>  <b>Work Experience: Over 10 Years while practising</b></p>
8.		<p>Name: Jacqueline Tumeso Taikon  <b>Date of birth: 27/09/1990</b>  <b>Qualifications: Bachelor of Commerce -Finance; CPA Sec 4</b>  <b>Work Experience: Over 20 Years</b></p>
9.		<p>Name: Faith Mbatha Nzivo  <b>Date of birth: 05/03/1991</b>  <b>Qualifications: Certified Public Accountant of Kenya(CPAK)</b>  <b>Work Experience: 7Years</b></p>

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4. Key Management Team

1		<p><b>Name:</b> Kenneth CK Njoroge  <b>Qualification:</b> Higher Diploma in Entrepreneurship Development  <b>Position:</b> Principal</p>
2		<p><b>Name:</b> Titus N. Nzioki  <b>Qualification:</b> Masters degree of Education in leadership and policy studies  <b>Position:</b> Deputy Principal</p>
3		<p><b>Name:</b> Robert Munyiri  <b>Qualification:</b> Mechatronics Engineering  <b>Position:</b> Registrar</p>
4		<p><b>Name:</b> Jacinta Mutula  <b>Qualification:</b> Bachelor Information Technology Communication  <b>Position:</b> Dean of Students</p>
5		<p><b>Name:</b> Ngunyu Mutinda  <b>Qualification:</b> Certified Public Accountant of Kenya  <b>Position:</b> Accountant</p>

## **5. Chairman's Statement**

It is our responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development. It is our undertaking to ensure that MTVC has a credible Strategic Plan and Performance Contract that will deliver the desired goals.

It is also our undertaking that we will perform our responsibilities diligently and to the best of our abilities to support the achievement of the agreed performance targets.

The Strategic Plan of Masinga Technical Vocational College (MTVC) has been developed through an all-inclusive participatory process. It articulates the Institute's Vision for Kenya's TVET System and identifies the strategic imperatives to be implemented during the next five years. It goes on to prioritize specific resources upon which the college will be focused.

The Strategic Plan is developed in the context of increasing global competitiveness and the needs of Kenyan within Kenya Vision 2030. The underpinning values are inclusion, participation and relevance. In line with this, the Institute's priorities include tackling the various existing challenges especially given the fact that our college is in the Arid and Semi – arid Areas (ASAL) . Through Strategic Planning the Institute seeks to provide relevant knowledge and skills that addresses the needs of the domestic and global economy.

Our challenge therefore is to identify the needs of our communities and infuse training in technologies and concepts that are practical in line with industry demands.

The college is committed to gradually introduce Competency Based Education and Training (CBET) with a major focus on infusing industry expectations in our training methodologies. In this regard, the Plan proposes a systematic facet of issues from which pertinent objectives are realized and addressed through derived strategies.

To provide appropriate evidence to Kenya's decision makers, MTVC should complement the efforts of the Government's Poverty Reduction Strategy; and its development objectives as articulated in various official policy documents. Strategic Planning of MTVC is expected to lead to the realization of a wide range of other important benefits including, increasing entrepreneurship, economic growth, enhanced productivity across sectors and increased income per capita. The Government recognizes that MTVC holds a vital key to implementation of the "Big four" initiatives and other national priorities in order to improve the quality of life of Kenyans and making Kenya globally competitive. The "Big Four" prioritizes on affordable housing, manufacturing, food security and affordable universal health care.

The successful implementation of the Plan requires devoted collaboration of all key stakeholders including the various levels of government. The Plan therefore, contains the strategies for the increased collaboration between stakeholders in the sector in terms of resource mobilization, funding and governance.

The MTVC Strategic Plan essentially presents its Corporate Strategy. It provides a sufficient framework within which Annual Work Plans will be developed. In this regard, it has been

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aligned to the Ministerial Strategic Plan, Medium Term Plans within Kenya Vision 2030 paradigm etc. the purpose of this Strategic Plan is therefore: -

- (i) To present key milestones in the Institution's TVET programs
- (ii) To present the Institute's ideology on the TVET's Strategic options identified and modalities for the national respective agenda as a foundation for Vision 2030.
- (iii) To avail a tool for engagement and negotiation between the Governments, key Stakeholders and Collaborators regarding the financing of TVET.
- (iv) To provide a basis for resource targeting.
- (v) To provide a basis for programme implementation and performance evaluation.

PATRICK S. KITHOME



**CHAIRMAN, BOARD OF GOVERNORS**

## **6. Report of the Principal**

*In the global arena, Science, Technology and Innovation (ST&I) is the driver for rapid world's economic prosperity, social development and provision of tools and solutions to address global challenges. For this reason, the government through the Ministry of Education has strengthened the focus of Science, Technology and Innovation and Technical Education Policies as underlying the country's National Development efforts.*

The Government's National Development Agenda is clearly outlined in various key policy documents including the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC) 2003-2007 and the National Development Plan 2002-2008. The government also recognizes that its Development Agenda can be accelerated if there is renewed focus on the integration of ST&I in all the Social-Economic sectors as outlined in the Kenya Vision 2030. The government has therefore embraced Science, Technology and Innovation and Technical Education (TE) as one of its top priorities.

The State Department of Vocational and Technical Training in the Ministry of Education has been mandated to spearhead the integration of S.T & I. and T.E and Higher Education in National Development. It has prepared its Strategic Plan as a comprehensive statement on how it plans to pursue its mandate for the next five years. In line with the government and the Ministry's Development Agenda, MTVC as one of the TVET institutions charged with the mandate of training middle level technical manpower, presents this Strategic Plan as its Road Map to guide its Development Agenda for the next five years.

The Strategic Plan reviews the Vision and Mission that will encompass all those involved in its execution. It also reviews the analysis of the Internal and External environment using Strengths, Weaknesses, Opportunities and Threats (SWOT) and Political, Economic, Social, Technological, Environmental and Legal (PESTEL) analysis. Subsequently, it identifies key stakeholders and their roles, outlines the Strategic issues and objectives and identifies the strategies to address them. The reviewed Plan prioritizes activities to be implemented under the strategies, and provides an Implementation Plan, a Monitoring and Evaluation system and a projection of the Resource requirements.

During the year under review, Masinga Technical and Vocational College recorded improved enrolment compared to the previous year. This was as a result of the aggressive marketing strategies adopted by the college through social media, contact and other print media. Worth noting, the student enrolment is still below the expectations and the college strives to innovatively increasing the enrolment.

The college faced challenges that emanated from poor fee payments and delayed funding from the Ministry of education hence could not meet certain activities and some obligations were met past the timelines.

IRENE KWOKO 

***PRINCIPAL/ BOG SECRETARY***

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

Masinga TVC has 3 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2022-2023. These strategic pillars are as follows:

Pillar/ theme/issue 1: Provide high quality technical education

Pillar/ theme/ issue 2: Transparency and Accountability

Pillar/ theme/ issue 3: Partnership and Community Engagement

Masinga TVC develops its annual work plans based on the above 3 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2022/2023 period for its 3 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Provide high quality technical education	To produce competent graduates to meet dynamic market demands	Attracting high number of trainees	Marketing by use of available technology and KUCCPS	Increased enrolment in the number of trainees
Transparency and Accountability	To ensure openness in sharing of information	Producing true and fair financial reports	Strictly adhering to the provisions of PFM Act, 2012 and PPAD Act, 2015.	Being audited and sharing audit reports that are true and fare.
Partnership and Community Engagement	To include the community in college activities	Collaboration between the college and the community	Sponsoring needy students and participating in activities such as tree planting	Masinga NG-CDF sponsoring trainees. Community taking place in tree planting.

## 8. Corporate Governance Statement

### i. Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following proposals from the principal of the College. The board consists of nine members. The Boards of Governors for Masinga Technical and Vocational College serves for three years. The Board may set up such committees and assign such responsibilities as it may deem fit.

### ii. Role and Functions of Board of Governors

The functions of the organs set out under section 28 (1) shall include —

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- (c) Administering and managing the property of the institution;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 855 2013 Technical and Vocational Education and Training No. 29
- (h) Mobilizing resources for the institutions;
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya
- (l) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;
- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- (p) Providing for the welfare of the students and staff of the institutions;
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions.

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**iii. Board of Governors Allowances**

Masinga TVC gives sitting allowances to board members to cater for their transport.

Meetings

- a. Full board meetings - are held once every quarter and
- b. Board committee meetings- once every quarter

<b>Name</b>	<b>Designation</b>	<b>No. of Meetings</b>	<b>Meetings Attended</b>
Patrick Kithome	Chairperson	1	1
Kenneth Njoroge	Principal/Secretary	1	1
Joachim Kalamu	Member	1	1
Alex K. Mutula	Member	1	1
Alex K. Mutula	Member	1	1
Anne Kariuki	Member	1	1
Jacqueline T. Taikom	Member	1	1
Faith Nzivo	Member	1	1
John Wamae	Member	1	1
Gillan Chambira	Member	1	1

**iv. Related Party Disclosure**

Related parties for the purpose of this report include:

- a) The Government of Kenya
- b) The Board of Governors
- c) The Management

## **9. Management Discussion and Analysis**

### **Operational and Financial Performance**

During the year ended 30<sup>th</sup> June 2023, Masinga TVC had 455 students compared to about 352 in the year 2021/2022. The increased number of students is attributed to the College's publicity and marketing strategy through public awareness through contact, social media and print media. To further enhance service delivery in financial management, the College continues to lobby and mobilize financial resources for Technical Training, Innovation and Research on Technical fields.

### **Financial and Management Risks**

#### **Major risks facing MTVC include:**

- Inadequate funding by the Ministry of Education-on capitation/operation and development grant (fourth quarter capitation funds not received)
- Delayed funding
- Poor fee payment by students

The above factors compromise the College's ability to meet its operational objectives fully.

### **Material Arrears in Statutory and Financial Obligations**

During the FY 2022/2023 the College managed to clear all statutory deductions. However, the issue of poor fee payment hindered the full settlement of other financial obligations, including pending bills.

### **Governance**

During the FY 2022/2023, Masinga TVC operated under an active Board of Governors.

### **Budget Achievement**

Masinga TVC had a total budget of Ksh. 36,646,249 in FY 2022-2023. The College realized Ksh.21,382,310 which translates to 58% of the total budget. The College spent Kshs. 21,382,310 of the realised amounts. The difference in revenue collection is attributed to poor fee payment and delayed release of capitation to the College during the FY 2022-2023.

### **College's compliance with statutory requirements**

The College complies with making statutory payments before the relevant deadlines. The College workers' pay P.A.Y.E Tax as generated on the itax portal.

### **Major risks facing the College**

**Financial Litigation** – No financial litigation.

### **Material arrears in statutory /financial obligations**

At end of the financial year the college had no work in progress.

## **10. Environmental And Sustainability Reporting Statement**

### **Sustainability strategy and profile**

Economic sustainability embraces general aspects of an organisation that have to be respected. The use of such generic aspects seems meaningful, as good results in these aspects are likely to lead to good financial and sustainability results of Masinga TVC. The management of the College has developed the following sustainability strategies:

- Innovation and Technology
- Collaboration: Good cooperation and collaboration with other institutions, county government and other stakeholders.
- Sustainability reporting: Masinga TVC reports sustainability issues within the College's report separately or incorporated in the integrated Colleges report.

### Environmental performance

The environmental impact of an organization is an important factor in evaluation of the College's level of social responsibility. Deficiency in public awareness of the importance of the environment is the main cause of the low social responsibility of Masinga TVC. The environmental performance of Masinga TVC exerts influence on the corporate social responsibility.

### Employee welfare

Masinga TVC seeks to improve the welfare of its employees through:

- Increased organisational citizenship behaviours and improved employee relationships
- Enhanced employee identification with the organization
- Improved retention and organizational commitment
- More attractive institution culture to prospective employees
- Better employee engagement and performance
- Increased creativity

The College is an equal employer where all the applicants have equal chances of being employed irrespective of their gender, tribe or religion. The College often ensures gender and ethnicity balance during recruitment. There is a standardised appraisal and rewarding system which applies to all employees within the College. Masinga TVC discloses its safety policy and compliance with the Occupational Safety and Healthy Act of 2007, (OSHA)

### Market place practices-

The organisation should outline its efforts to:

- a) Responsible competition practice.

The management of Masinga TVC relies on the quality of trainees the College produces to market itself and compete fairly in the marketplace. Masinga TVC also complies with the available ethical standards including those touching on anti-corruption and provides equal opportunity for political leaders to engage in the development of the College.

- b) Responsible Supply chain and supplier relations

The Institute advertised for pre-qualified suppliers for supply of works, goods and services for the period 2022-2023 to ensure fair competition. The suppliers have had the opportunity to provide for goods and services to the institute and payments were made promptly.

- c) Responsible marketing and advertisement

Masinga TVC's management uses both print and social media platforms to market itself. In all these cases, the management follows the available marketing practices to the letter to ensure responsible marketing and advertisement by use of appropriate images and language.

d) Product stewardship

Masinga TVC maintains corporate social responsibility in the market place practices through the College and suppliers taking responsibility to do no harm to the environment, to reduce waste and pollution as well as comply with government regulations. In order to stay away in the competition, the College determines its strategies and plan their relevant activities

Corporate Social Responsibility/Community Engagements

Masinga TVC seeks and maintains important links with the community. The College collaborates and partners with the public, business and civil constituencies who engage in voluntary, mutual beneficial, innovative relationships to address common societal aims through combining their resources and competencies.

Masinga TVC engages in community developments as follows;

- *Training of community professionals in computer support and maintenance*
- *Trainees performs voluntary projects during vacations to the community where they share experiences, knowledge and sustainable practices within the community.*
- *Trainees support vulnerable communities in the development and improvement of their housing space*
- *Financial support to needy students through coordinating bursary, HELB loans, support sustainability and sponsorship to students where possible as well as work study programme.*
- *Mentorship programmes for the youth and offering internship and industrial attachment opportunities to them.*

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**11. Report of the Board of Governors**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of Masinga TVC's affairs.

**Principal activities**

The principal activities of the entity are providing knowledge and skills to the people of the larger Machakos County and beyond. The Mandate of MASINGA TECHNICAL AND VOCATIONAL COLLEGE is to train, impart skills, knowledge and institutionalise effective research and development geared towards production of competent graduates who will contribute to high and sustainable social-economic development.

**Results**

The results of the entity for the year ended June 30, 2023 are set out on page 1 and 2.

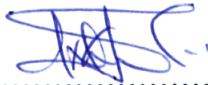
**Board of Governors**

The members of the Board who served during the year are shown on page viii-ix. During the year 2022/2023 no director retired/ resigned and none was appointed.

**Auditors**

The Auditor General is responsible for the statutory audit of Masinga TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the entity for the year/period ended June 30, 2023, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....  
**Secretary of the Board**  
**Nairobi**  
**Date:25/04/2025**

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


The BOG members are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial period ended on **30<sup>th</sup> June, 2023**. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The BOG members accept responsibility for the Masinga Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and TVET Act 2013. The board members are of the opinion that the Masinga Technical and Vocational College financial statements give a true and fair view of the state of College's transactions during the period ended **30<sup>th</sup> June, 2023** and of the Masinga TVC's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the Masinga Technical and Vocational College, which have been relied upon in the preparation of the Masinga TVC financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed MASINGA TVC's ability to continue as a going concern. Nothing has come to the attention of the Board members to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

### Approval of the Financial Statements

The College's amended financial statements were approved by the Board on 25/04/2025 and signed on its behalf by:

  
.....  
Name **SYLVESTER Mwach**  
Chairperson of the Board

  
.....  
Name **IRENE KWOKO**  
Accounting Officer/Principal

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

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**13. Report of the Auditor General**

# REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Masinga Technical and Vocational College set out on pages 1 to 33 which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of

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

### **Basis for Qualified Opinion**

#### **1. Unsupported Changes in Capital Reserves**

The statement of changes in net assets reflects transfer of depreciation/amortization from capital fund to retained earnings of Kshs.10,940,220. However, no supporting schedule was provided for audit review.

In the circumstances, the accuracy of the statement of changes in net assets could not be confirmed.

#### **2. Unsupported Receipts and Payments in the Statement of Cash Flows**

The statement of cash flows reflects cash flows from operating activities of Kshs.12,438,910 and Kshs.18,713,749 in respect to receipts from rendering of services (fees from students) and payments in respect to use of goods and services respectively. However, no supporting schedules were provided for audit review. In addition, the statement reflects prior year cash and cash equivalents closing balance of Kshs.548,556 while the opening balance for the current year is reflected as Kshs.305,171 resulting to unexplained variance of Kshs.243,385.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed.

#### **3. Unsupported Capitation**

The statement of financial performance and as disclosed in Note 6 to the financial statements reflect transfers from other National Government entities totalling Kshs.8,861,400. However, students' enrolment data for the first three (3) quarters were not provided for audit review. In addition, capitation received for the third quarter represented four hundred and sixty-five (465) students while the student register reflected four hundred and fifty-five (455) students resulting to an excess capitation received of Kshs.40,000 which had not been accounted for.

In the circumstances, the accuracy of transfers from other National Government entities totalling Kshs.8,861,400 could not be confirmed.

#### **4. Unsupported Use of Goods and Services**

The statement of financial performance and as disclosed in Note 9 to the financial statements reflect use of goods and services of Kshs.19,940,723. However, review of documents revealed the following;

##### **4.1 Administration and Examination Fees**

Review of ledgers revealed expenditure totalling Kshs.4,375,528 and Kshs.2,634,690 in respect to administration and examination fees while the financial statements reflect Kshs.5,030,378 and Kshs.3,042,580 resulting to unexplained variances of Kshs.654,850 and Kshs.407,890 respectively. In addition, expenditure amounting to Kshs.1,877,190 was not supported.

##### **4.2 Travelling and Accommodation**

Included in use of goods and services is travelling and accommodation expenditure of Kshs.2,398,635. However, the payment vouchers were not supported by corresponding proof of travel and attendance documents.

##### **4.3 Activity Expenses**

Included in use of goods and services is activity expenditure totalling Kshs.1,074,865. However, the amount includes Kshs.110,950 which was not supported by any document.

##### **4.4 Industrial Attachment Costs**

Included in use of goods and services is industrial attachment costs of Kshs.300,200. However, a payment voucher for Kshs.243,200 paid to a member of staff was not supported with traveling documents and attachment assessment reports.

In the circumstances, the accuracy of use of goods and services totalling Kshs.19,940,723 could not be confirmed.

#### **5. Unsupported Trade and Other Payables**

The statement of financial position and as disclosed in Note 20 to the financial statements reflect trade and other payables from exchange transactions balance of Kshs.14,763,012. However, review of documents revealed the following anomalies:

- i. Included in the trade and other payables is an outstanding balance of Kshs.1,723,449 to a supplier. However, a payment of Kshs.700,000 purported to have been made during the year under review could not be traced in the cashbook or the bank statement.

- ii. An outstanding balance of Kshs.2,747,496 was recorded under trade and other payables as salaries due. However, no support document was provided for audit review.
- iii. A payment of Kshs.165,000 was made to an individual staff member on behalf of a Group of Companies. However, the payment was not applied to reduce the outstanding balance payable to the Company.

In the circumstances the accuracy and validity of trade and other payables balance of Kshs.14,763,012 could not be confirmed.

## **6. Unsupported Property Plant and Equipment**

The statement of financial position and as disclosed in Note 19 to the financial statements reflect property plant and equipment balance of Kshs.88,337,810. However, the assets were not supported by a valuation report or documents as proof of their cost. In addition, included in the balance is Kshs.30,000,000 relating to land. However, ownership documents were not provided for audit review. Further, the College did not maintain assets register.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.88,337,810 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.36,646,249 and Kshs.21,382,310 respectively resulting to an under-funding of Kshs.15,263,939 or approximately 42% of the budget.

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

My opinion is not modified in respect of this matter.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several paragraphs were raised. However, Management has not resolved all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management has not provided explanation for the delay in resolving the issues.

### **Other Information**

The Management is responsible for the other information set out on pages iii to xxi which comprise of Key Entity Information and Management, Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, 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 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, 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. Irregular Procurement of Goods and Services**

The statement of financial performance and as disclosed in Note 9 to the financial statements reflect use of goods and services totalling Kshs.19,940,723. Included in the

amount is Kshs.2,373,076 paid for supply of assorted goods. However, review of procurement records revealed that the supplier was not in the list of prequalified suppliers. This was contrary to Section 105(a) of the Public Procurement and Disposal Act, 2015 which states that a procuring entity may use a request for quotations from the register of suppliers for a procurement if the estimated value of the goods, works or non-consultancy services being procured is less than or equal to the prescribed maximum value for using requests for quotations as prescribed in Regulations.

In addition, the tender opening, evaluation and Inspection and acceptance committees were not constituted contrary to Sections 78(1), 46(1), and 48(1) of the Public Procurement and Asset Disposal Act, 2015 which requires appointment of tender opening, evaluation and Inspection and acceptance committees.

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

## **2. Irregular Subscription**

Included in the use of goods and services is Kshs.1,074,865 for activity expenses which includes Kshs.290,000 paid to Kenya Association of Technical Training Institutes (KATTI). However, KATTI is a registered association and not a regulatory body recognized by the Technical and Vocational Education and Training Act, 2013. This is contrary to Section 68. (1)(a) of the Public Finance Act, 2012 which states that an Accounting Officer for a National government entity, Parliamentary Service Commission and the Judiciary shall be accountable to the National Assembly for ensuring that the resources of the respective entity for which he or she is the Accounting Officer are used in a way that is lawful and authorized.

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

## **3. Late Remittance to National Hospital Insurance Fund (NHIF)**

During the year under review, contributions to NHIF for three (3) months amounting to Kshs.28,950 were remitted late. This is contrary to Section15(4) of the National Health Insurance Fund Act, 1998 (Amended, 2012) which states that a person to whom this section applies shall pay the contribution to the Board on the ninth day of each month or on such later date as the Board, in consultation with the Cabinet Secretary, may prescribe.

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

## **4. Lack of Authentication of Academic and Professional Certificates**

Review of personal files of staff recruited during the year revealed that, the academic and professional certificates were not authenticated with the relevant authorities as required by the guidelines from the State Department for Technical, Vocational Education and Training as per circular No. MOE/TVET/2/76/VOLXIV (24) dated 6 October, 2023.

In the circumstances, Management was in breach of the State Department Circular.

## **5. Irregularities in Recruitment**

Review of recruitment of five (5) staff members carried out during the year revealed the following un-satisfactory issues:

- i. Building engineering position - Applicants were interviewed for the post and one of them was recruited. However, no evidence was provided for audit review on how the final recommendation list was arrived at.
- ii. Social work and community development position - The candidate who scored the highest marks was recommended for the position, but a different candidate was recruited. Although Management explained that the appointment of the different candidate was based on the gender rule requirement as was recommended by the Public Service Commission officers, no documentation was provided in support of the assertion.
- iii. Food technology position - The position required a minimum of Higher National Diploma in food technology. However, candidates with degree in food technology were not shortlisted. This resulted in shortlisting of two candidates for the position and only one turned up for the interview and was eventually recruited resulting to a non-competitive recruitment process. In addition, there were no individual panelist score sheets to show how the candidate performed during the interview.
- iv. Building technology position - Review of documents revealed that the names of the candidate who was recommended for this position and eventually recruited as reflected in the national identity card differed with the names in the Kenya Certificate of Secondary Schools (KCSE) and diploma certificates. However, no affidavit was provided by the candidate during the interview in support of the discrepancies as reflected in the documents.

In the circumstances, the regularity of the recruitment could not be confirmed.

## **6. Failure to Maintain Imprest Register**

During the year under review the College did not maintain an imprest register. This is contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 which states that before issuing temporary imprests under paragraph (2), the Accounting Officer shall ensure that the applicant has been recorded in the imprest register including the amount applied for. In addition, no imprest warrants were maintained contrary to Regulation 91(2) of the Public Finance Management (National Government) Regulations, 2015 which states that the officer authorized to hold and operate an imprest shall make formal application for the imprest through an imprest warrant.

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

## **7. Irregular Bank Overdraft**

The statement of financial position and as disclosed in Note 15 to the financial statements reflect cash and cash equivalents overdraft balance of Kshs.1,152,979. However, review

of the cashbook, bank statements and certificate of bank balance revealed that the Bank account was consistently overdrawn without approval. This is contrary to Section 28(1)(4) of the Public Finance Management Act, 2012 which states that an Accounting Officer for a National government entity shall not cause a bank account of the entity to be overdrawn beyond the limit authorized by the National Treasury or a Board of a National government entity, if any. In addition, they did not maintain a cheque register for all bank accounts.

In the circumstances the regularity of the bank overdraft could not be confirmed.

## **8. Lack of Internal Audit Function and an Audit Committee**

The College had not established an internal audit function and an Audit Committee. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function and an Audit Committee. As such the College did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

In the circumstances, Management was in breach of 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 THE 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, 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**

## **9. Lack of an Operational Plan**

Review of the records revealed that the College did not have a formal, documented and approved operational plan in place. There is no clear framework outlining how resources will be allocated, how goals will be achieved, or how performance will be measured.

In the circumstances, the effectiveness of the overall governance and accountability could not be confirmed.

## **10. Lack of Risk Management Policy, Risk Register, Disaster Recovery and Business Continuity Plan**

Review of records and systems revealed that the College lacks a risk management policy and does not have a framework for management of risks, and hence it was not possible to identify, assess and control risk. Further, the College did not maintain a risk register. In addition, the College did not have a strategy for recovery of lost data to allow for business operation to be restored in the event of a disaster.

In the circumstances, the effectiveness of risk management systems in place 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 continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**2 May, 2025**

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

14. Statement of Financial Performance For The Year Ended 30 June 2023


<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	8,861,400	7,320,000
		<b>8,861,400</b>	<b>7,320,000</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	20,019,555	14,950,675
Miscellaneous income	8	582,000	-
<b>Revenue from Exchange transactions</b>		<b>20,601,555</b>	<b>14,950,000</b>
<b>Total Revenue</b>		<b>29,462,955</b>	<b>22,270,675</b>
<b>Expenses</b>			
Use of goods and services	9	19,940,723	15,790,791
Employee costs	10	5,907,034	6,875,079
Board Expenses	11	123,605	185,000
Depreciation and amortization expense	12	3,300,190	-
Repairs and maintenance	13	106,900	297,100
Finance costs	14	-	29,050
<b>Total Expenses</b>		<b>29,378,452</b>	<b>23,177,020</b>
<b>Other Gains/(Losses)</b>			
<b>Total Other Gains/(Losses)</b>		-	-
<b>Net surplus/(deficit) for the year</b>		<b>84,503</b>	<b>(906,345)</b>

(The notes set out on pages 18 to 31 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

  
.....  
Finance Officer  
ICPAK No: ASSOC/4363

  
.....  
Principal

Date:25/04/2025

Date:25/04/2025

Date:25/04/2025

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

**15. Statement of Financial Position As At 30th June 2023**

			KShs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15	(1,152,979)	548,556
Current portion of receivables from exchange transactions	16(a)	14,685,817	12,142,196
Receivables from non-exchange transactions	17(a)	500,000	259,050
Inventories	18	-	1,771,488
<b>Total Current Assets</b>		<b>14,032,838</b>	<b>14,721,290</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	19	88,337,810	91,638,000
<b>Total Non-Current Assets</b>		<b>88,337,810</b>	<b>91,638,000</b>
<b>Total Assets</b>		<b>102,370,648</b>	<b>106,359,290</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	20	14,763,012	7,895,837
Refundable deposits from customers	21	1,413,910	1,413,910
<b>Total Current Liabilities</b>		<b>16,176,922</b>	<b>9,309,747</b>
<b>Total Liabilities</b>		<b>16,176,922</b>	<b>9,309,747</b>
Net assets		86,193,826	97,049,543
Accumulated fund b/d		5,521,034	5,436,531
Capital Fund		80,672,792	91,613,012
<b>Total Net Assets and Liabilities</b>		<b>86,193,826</b>	<b>97,049,543</b>

The Financial Statements set out on pages 26 to 31 were signed by:



**Chairman of Board**

**Date: 25/04/2025**



**Finance Officer**

**ICPAK No: ASSOC/4363**

**Date: 25/04/2025**



**Principal**

**Date: 25/04/2025**

## 16. Statement of Changes in Net Asset For The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated Fund	Capital Reserves	Net
<b>At July 1, 2021</b>	-	<b>6,342,876</b>	<b>2,001,000</b>	<b>8,343,876</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(906,345)	-	(906,345)
Capital grants received during the year	-	-	89,612,012	89,612,012
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	(-)	-
<b>At June 30, 2022</b>	-	<b>5,436,531</b>	<b>91,613,012</b>	<b>97,049,543</b>
<b>At July 1, 2022</b>	-	<b>5,436,531</b>	<b>91,613,012</b>	<b>97,049,543</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	84,503	-	84,503
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	(10,940,220)	(10,940,220)
<b>At June 30, 2023</b>	-	<b>5,521,034</b>	<b>80,672,792</b>	<b>86,193,826</b>

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**17. Statement of Cash Flows For The Year Ended 30 June 2023**

Description	Notes	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities		8,361,400	7,320,000
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
Rendering of services- fees from students		12,438,910	14,950,675
Sale of goods		-	-
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Miscellaneous income	8	582,000	-
<b>Total Receipts</b>		<b>21,382,310</b>	<b>22,270,675</b>
<b>Payments</b>			
Use of goods and services	9	18,713,749	15,790,791
Employee costs	10	3,949,370	6,875,079
Board /Council Expenses	11	74,000	185,000
Repairs and maintenance	13	106,900	297,100
Contracted services		-	-
Grants and subsidies		-	-
Finance Cost		-	29050
<b>Total Payments</b>		<b>22,844,019</b>	<b>23,177,020</b>
<b>Net Cash Flows from operating activities</b>	23	<b>(1,461,709)</b>	<b>(1,023,229)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(-)	(-)
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash flows used in investing activities</b>		<b>(-)</b>	<b>(-)</b>
<b>Cash flows from financing activities</b>			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		(-)	(-)
<b>Net cash flows used in financing activities</b>		<b>(-)</b>	<b>(-)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>(1,461,709)</b>	<b>(1,023,229)</b>
Cash and Cash equivalents at 1 JULY	15	305,171	1,571,785
<b>Cash and Cash equivalents at 30 JUNE</b>	15	<b>(1,156,538)</b>	<b>548,556</b>

## 18. Statement of Comparison of Budget &amp; Actual amounts For Year Ended 30 June 2023

	Original annual Budget	Adjustments	Final Budget	Annual Actual to date	Cumulative Actual to date	Percentage of Budget	Percentage Difference
	a	b	c=a+b	d	e=c-d	f=e/d %	
	Kshs	Kshs	Kshs	Kshs			Kshs
<b>Revenue</b>							
Transfers from other Govt entities Govt grants	8,500,000	-	8,500,000	8,361,400	138,600	1.63	
Rendering of services- Fees from students	27,883,749	-	27,883,749	12,438,910	15,444,839	55.39	
Other Income	262,500	-	262,500	582,000	(319,500)	121.71	
<b>Total income</b>	<b>36,646,249</b>	<b>-</b>	<b>36,646,249</b>	<b>21,382,310</b>	<b>15,263,939</b>	<b>41.65</b>	
<b>Expenses</b>							
Compensation of employees	5,700,000	-	5,700,000	3,949,370	1,750,630	30.71	
Use of Goods and services	28,496,249	-	28,496,249	18,713,749	9,782,500	34.32	
Remuneration of directors	1,080,000	-	1,080,000	74,000	1,006,000	93.15	
Repair and Maintenance	1,370,000	-	1,370,000	106,900	1,263,112	92.20	
<b>Total expenditure</b>	<b>36,646,249</b>	<b>-</b>	<b>36,646,249</b>	<b>22,844,019</b>	<b>13,802,230</b>	<b>37.66</b>	
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,461,709)</b>			

*The difference between the actual and budgeted revenue is due to non-disbursement of full capitation.*

19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

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

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

i. **Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.**

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

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

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Standard	Effective date and impact
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>
Other improvements to IPSAS	<p><i>Applicable 1<sup>st</sup> January 2023</i></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <i>IPSAS 29: Financial instruments: Recognition and Measurement.</i> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

Standard	Effective date and impact
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

**iii. Early adoption of standards**

Masinga Technical and Vocational College did not early-adopt any new or amended standards in year 2023.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

**b) Budget information**

The original budget for FY 2022/2023 was approved by the Board on 14<sup>th</sup> October, 2022. Subsequent revisions were not made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are not added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes.

***Sales tax/ Value Added Tax***

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

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

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

**d) Investment property**

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

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

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

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

**e) Property, plant and equipment**

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

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

**f) Leases**

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

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

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

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

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

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

**i) Financial instruments**

*Financial assets*

*Initial recognition and measurement*

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

*Loans and receivables*

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

*Held-to-maturity*

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

*Impairment of financial assets*

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial

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

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

***Financial liabilities***

***Initial recognition and measurement***

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

***Loans and borrowing***

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

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

**j) Inventories**

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

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

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

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

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

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

**k) Provisions**

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

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

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

***Contingent liabilities***

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

***Contingent assets***

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

**l) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements

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

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

**n) Employee benefits**

**Retirement benefit plans**

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

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

**o) Foreign currency transactions**

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

**p) Borrowing costs**

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

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

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

**q) Related parties**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the principal and senior managers.

**r) Service concession arrangements**

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized

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are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**s) Cash and cash equivalents**

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

**t) Comparative figures**

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

**u) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

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

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

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

**Estimates and assumptions**

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

**Useful lives and residual values**

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

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

**Provisions**

Provisions were never raised and management determined an estimate based on the information available. No additional disclosure of any estimates of provisions.

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

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description		
<b>Unconditional Grants</b>		
Capitation Grants	7,361,400	7,320,000
Operational Grant	1,500,000	0
<b>Total unconditional Grants</b>	<b>8,861,400</b>	<b>7,320,000</b>
<b>Total Government Grants and Subsidies</b>	<b>8,861,400</b>	<b>7,320,000</b>

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized in Statement of Financial performance	Amount recognized under deferred income	Amount recognized under capital fund		
	Kshs	Kshs	Kshs	Kshs	
State Department of TVET	1,931,400	-	-	1,931,400	2,317,500
State Department of TVET	1,815,000	-	-	1,815,000	2,317,500
State Department of TVET	1,795,000	-	-	1,795,000	2,685,000
State Department of TVET	1,820,000	-	-	1,820,000	-
State Department of TVET	500,000	-	-	500,000	-
State Department of TVET	500,000	-	-	500,000	-
State Department of TVET	500,000	-	-	500,000	-
<b>Total</b>	<b>8,861,400</b>	<b>-</b>	<b>-</b>	<b>8,861,400</b>	<b>7,320,000</b>

The details of the reconciliation have been included under appendix II

Masinga Technical and Vocational College  
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Notes to the Financial Statements (Continued)

7. Rendering of Services

	2022-2023	2021-2022
Fees	18,002,785	12,933,505
Examination Fees	2,016,770	2,017,170
<b>Total Revenue from The Rendering of Services</b>	<b>20,019,555</b>	<b>14,950,675</b>

(Fees Invoiced including capitation not received from the Government)

8. Miscellaneous Income

	2022-2023	2021-2022
Miscellaneous income (IEBC)	582,000	-
<b>Total other income</b>	<b>582,000</b>	<b>-</b>

Notes to the Financial Statements (Continued)

9. Use of Goods and Services

Description	2022-2023	2021-2022
Teaching and learning materials/Tuition	7,699,115	-
Industrial attachment costs	300,200	-
Administration	5,030,378	-
Activity	1,074,865	4,621,738
Electricity, Water and Conservancy	337,090	440,120
Advertising	-	313,104
Examination fees	3,042,580	4,079,559
Travelling and accommodation/LT&T	2,398,635	4,780,375
Printing and stationery	-	1,010,725
Training expenses	-	545,170
Other (Bank Charges)	57,860	-
<b>Total good and services</b>	<b>19,940,723</b>	<b>15,790,791</b>

Masinga Technical and Vocational College  
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 Notes To the Financial Statements (Continued)

10. Employee Costs

Description		
Salaries and wages	5,907,034	6,068,019
Employee related costs	-	807,060
<b>Employee Costs</b>	<b>5,907,034</b>	<b>6,875,079</b>

11. Board Expenses

Description		
Chairman's Honoraria	-	-
Directors Emoluments	-	-
Other Allowances	74,000	185,000
Other Board/Council Expenses	49,605	0
<b>Total</b>	<b>123,605</b>	<b>185,000</b>

12. Depreciation and Amortization expense

Description		
Property, plant and equipment	3,300,190	
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>3,300,190</b>	<b>-</b>

13. Repairs and Maintenance

Description		
Property	106,900	297,100
<b>Total Repairs and Maintenance</b>	<b>106,900</b>	<b>297,100</b>

14. Finance Costs

Finance Costs		
Bank Charges	-	29,050
<b>Total Finance Costs</b>	<b>-</b>	<b>29,050</b>

15. Cash and Cash Equivalents

	2022-2023	2021-2022
	Kshs	Kshs
Current Account	(1,152,979)	548,556
<b>Total Cash and Cash Equivalents</b>	<b>(1,152,980)</b>	<b>548,556</b>

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

	2022-2023	2021-2022
	Kshs	Kshs
<b>a) Current Account</b>		
Kenya Commercial Bank-1223175537	2,990	-
Kenya Commercial Bank-1275386806	569	-
Equity Bank-0390275609102	(1,156,538)	548,556
<b>Grand Total</b>	<b>(1,152,979)</b>	<b>548,556</b>

16. Receivable From Exchange Transactions

16(a) Current Receivable from Exchange Transaction

	2022-2023	2021-2022
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	14,685,817	12,142,196
<b>Total Current Receivables</b>	<b>14,685,817</b>	<b>12,142,196</b>

16 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2022-2023		2021-2022	
	Kshs	% of the total	Kshs	% of the total
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	14,685,817	100%	-	-
<b>Total (a+b)</b>	<b>14,685,817</b>	<b>100%</b>	<b>-</b>	<b>-</b>

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17. Receivables from Non-Exchange transactions

17 (a) Current Receivables from Non-Exchange transactions

Description		
<b>Current Receivables</b>		
Student Debtors	500,000	-
<b>Total Current Receivables</b>	<b>500,000</b>	<b>-</b>

17 (b) Ageing Analysis of Receivables from Exchange transactions

Description				
	2022-2023	% of the total	2021-2022	% of total
Less than 1 year	14,685,817	100%	-	-
<b>Total (a+b)</b>	<b>14,685,817</b>	<b>100%</b>	<b>-</b>	<b>-</b>

18. Inventories

Inventories		
<b>Current Receivables</b>		
Consumable Stores	-	349,368
Electrical Stores	-	1,037,929
Catering Stores	-	384,191
<b>Total Current Receivables</b>	<b>-</b>	<b>1,771,488</b>

Masinga Technical and Vocational College  
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Notes to the Financial Statements (Continued)

19. Property, Plant and Equipment

<b>At 1 July 2021</b>	<b>30,000,000</b>	<b>53,000,000</b>	<b>-</b>	<b>1,908,000</b>	<b>4,930,000</b>	<b>1,800,000</b>	<b>-</b>	<b>91,638,000</b>
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2022</b>	<b>30,000,000</b>	<b>53,000,000</b>	<b>-</b>	<b>1,908,000</b>	<b>4,930,000</b>	<b>1,800,000</b>	<b>-</b>	<b>91,638,000</b>
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2023</b>	<b>30,000,000</b>	<b>53,000,000</b>	<b>-</b>	<b>1,908,000</b>	<b>4,930,000</b>	<b>1,800,000</b>	<b>-</b>	<b>91,638,000</b>
<b>Depreciation And Impairment</b>		<b>2%</b>		<b>12.5%</b>	<b>33.3%</b>	<b>20%</b>		
<b>At 1 Jul 2021</b>	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
<b>Impairment</b>	-	-	-	-	-	-	-	-
<b>At 30 Jun 2022</b>	-	-	-	-	-	-	-	-
Depreciation	-	1,060,000	-	238,500	1,641,690	360,000	-	3,300,190
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> Jun 2023</b>	-	<b>1,060,000</b>	-	<b>238,500</b>	<b>1,641,690</b>	<b>360,000</b>	-	<b>3,300,190</b>
<b>Net Book Values</b>								
<b>At 30<sup>th</sup> Jun 2022</b>	<b>30,000,000</b>	<b>53,000,000</b>	<b>-</b>	<b>1,908,000</b>	<b>4,930,000</b>	<b>1,800,000</b>	<b>-</b>	<b>91,638,000</b>
<b>At 30<sup>th</sup> Jun 2023</b>	<b>30,000,000</b>	<b>51,940,000</b>	<b>0</b>	<b>1,669,500</b>	<b>3,288,310</b>	<b>1,440,000</b>	<b>0</b>	<b>88,337,810</b>

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

**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were not revalued by any professional valuers on any date. These amounts were never adopted in the financial statements on any date.

**19(a) 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	2022-2023	2021-2022	Total
Land	30,000,000	-	30,000,000
Buildings	53,000,000	1,060,000	51,940,000
Equipment	1,800,000	360,000	1,440,000
Computers and Related Equipment	4,930,000	1,641,690	3,288,310
Furniture, And Fittings	1,908,000	238,500	1,669,500
<b>Total</b>	<b>92,638,000</b>	<b>3,300,190</b>	<b>88,337,810</b>

**20. Trade and Other Payables**

Description	2022-2023	2021-2022		
Trade payables	12,801,812	7,895,837		
Fees paid in advance	1,961,200	-		
<b>Total Trade and Other Payables</b>	<b>14,763,012</b>	<b>7,895,837</b>		
	<b>2022-2023</b>	<b>% of the Total</b>	<b>2021-2022</b>	<b>% of the Total</b>
<b>Ageing analysis:</b>				
Under one year	9,669,021	65	-	-
1-2 years	4,979,199	34	7,895,837	100
2-3 years	114,792	1	-	-
Over 3 years	-	-	-	-
<b>Total (to tie to totals above)</b>	<b>14,763,012</b>	<b>100</b>	<b>7,895,837</b>	<b>100</b>

**Masinga Technical and Vocational College**  
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**Notes to the Financial Statements (Continued)**

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

Consumer deposits	-	-	-	-
Caution money	1,413,910		1,413,910	
<b>Total Deposits</b>	<b>1,413,910</b>		<b>1,413,910</b>	
	<b>2022-2023</b>	<b>% of the Total</b>	<b>2021-2022</b>	<b>% of the Total</b>
<b>Ageing analysis:</b>				
1-2 years	1,413,910	100%	1,413,910	100%
<b>Total (to tie to totals deposits above)</b>	<b>1,413,910</b>	<b>100%</b>	<b>1,413,910</b>	<b>100%</b>

**Retirement benefit Asset/ Liability**

The entity operates a defined benefit scheme for all full-time employees from July 1, 2022. The scheme is administered by Masinga TVC while NSSF are the custodians of the scheme. The scheme is based on 6 percentage of salary of an employee at the time of retirement.

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently between Kshs.1200 and Kshs.4320 per employee per month. Other than NSSF the entity has no defined contribution scheme operated by any Pension Fund. Employees and employers contribute no percentage of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

**22. Payments received in advance.**

	2023		2021-2022	
	Kshs		Kshs	
Fees received in advance	1,961,200		1,099,510	
<b>Total</b>	<b>1,961,200</b>		<b>1,099,510</b>	
	<b>2022-2023</b>	<b>% of the Total</b>	<b>2021-2022</b>	<b>% of the Total</b>
<b>Ageing analysis:</b>				
Under one year	1,961,200	100	1,099,510	100
<b>Total</b>	<b>1,961,200</b>	<b>100</b>	<b>1,099,510</b>	<b>100</b>

Notes to the Financial Statements (Continued)

23. Cash generated from operations.

Surplus for the year before		
<b>Adjusted for:</b>	84,503	(906,345)
Changes in General Reserve	(10,700,494)	(2,025,988)
Depreciation	3,300,190	-
<b>Working Capital Adjustments</b>		
Increase in Inventory	1,771,488	1,160,537
Increase in Receivables	(2,784,571)	(6,992,937)
Increase in Deferred Income	-	-
Increase in Payables	6,867,175	6,524,994
Increase in Payments received in advance	-	1,216,510
<b>Net Cash Flow from Operating Activities</b>	<b>(1,461,709)</b>	<b>(1,023,229)</b>

24. Financial Risk Management

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

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

(i) **Credit risk**

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

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

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

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

Description	2022 Rands	2023 Rands	2022 Rands	2023 Rands
<b>At 30 June 2022</b>				
Receivables from exchange transactions	12,142,196	12,142,196	-	-
Receivables from non-exchange transactions	259,050	259,050	-	-
Bank balances	548,556	548,556	-	-
<b>Total</b>	<b>12,949,802</b>	<b>12,949,802</b>	-	-
<b>At 30 June 2023</b>				
Receivables from exchange transactions	14,685,817	14,685,817	-	-
Receivables from non-exchange transactions	500,000	500,000	-	-
Bank balances	(1,152,979)	(1,152,979)	-	-
<b>Total</b>	<b>14,032,838</b>	<b>14,032,838</b>	-	-

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 receivable from exchange transactions.

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.

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

**(ii) Liquidity risk management**

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

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

Description	Less than 12 months	12 months to 24 months	24 months to 36 months	More than 36 months
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2022</b>				
Trade Payables	7,895,837	-	7,895,837	7,895,837
<b>Total</b>	<b>7,895,837</b>	<b>-</b>	<b>7,895,837</b>	<b>7,895,835</b>
<b>At 30 June 2023</b>				
Trade Payables	14,763,012	-	14,763,012	14,763,012
<b>Total</b>	<b>14,763,012</b>	<b>-</b>	<b>14,763,012</b>	<b>14,763,012</b>

**Notes to the Financial Statements (Continued)**  
**Financial risk management (continued)**

**(iii) Market risk**

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

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

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

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

**iv) Capital Risk Management**

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

	2022/2023	2021/2022
	Kshs	Kshs
Revaluation Fund	-	-
Retained Earnings	5,521,034	5,436,531
Capital Fund	80,672,792	91,613,012
<b>Total Funds</b>	<b>86,193,826</b>	<b>97,049,543</b>
Total Borrowings	14,763,012	7,895,837
Less: Cash and Bank Balances	(1,152,979)	548,556
Net Debt	15,915,991	7,347,281
<b>Gearing</b>	<b>0.18</b>	<b>0.08</b>

Notes to the Financial Statements (Continued)

25. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	2022-2023	2021-2022	
	Ksh	KSh	
<b>Transactions with Related Parties</b>			
<b>a) Sales to related parties</b>			
<b>B) Purchases from related parties</b>			
Purchases of electricity from KPLC and Water from KITWASCO	255,890	440,120	
<b>Total</b>	<b>255,890</b>	<b>440,120</b>	
<b>b) Grants /Transfers from the Government</b>			
Grants from National Govt	8,861,400	7,320,000	
<b>Total</b>	<b>8,861,400</b>	<b>7,320,000</b>	
<b>c) Expenses incurred on behalf of related parties</b>			
Payments of Salaries and Wages for Employees	5,878,034	6,068,019	
Payments for Goods and Services	19,763,438	13,795,458	
<b>Total</b>	<b>25,641,472</b>		
<b>d) Key Management Compensation</b>			
Directors' emoluments/Board Expenses	74,000	185,000	
<b>Total</b>	<b>34,758,762</b>	<b>20,048,477</b>	

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

**26. Events After The Reporting Period**

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

**27. Ultimate And Holding Entity**

The entity is a State Corporation under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**28. Currency**

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

20. 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
4.1	Late Submission of Financial Statements	Document was submitted on 13 <sup>th</sup> Feb, 2024	Not resolved	30 <sup>th</sup> June, 2024
4.2	Errors, Omissions and Variances in the financial statements	Mostly corrected	Resolved	None
4.3	Budgetary Control and Performance	Budget was prepared	Resolved	30 <sup>th</sup> June, 2024
4.4	Inaccuracy of Cash and Cash Equivalents	Most documents are available	Resolved	None
4.5	Non-disclosure of property, plant and equipment	Asset tallying and valuation required	Not resolved	30 <sup>th</sup> June, 2024
4.6	Trade and other payables from exchange transactions	Documents prepared	Resolved	30 <sup>th</sup> June, 2024
4.7	Misstatement of staff costs	To be addressed	Resolved	None
4.8	Inaccuracy of inventory balance	Tallying and revaluation of inventory required	Not resolved	30 <sup>th</sup> June, 2024
4.9	Unsupported revenue from exchange transactions	Revenue receipts to be provided	Resolved	None

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Item	Description	Management's Response	Status	Impact
4.10	Inaccuracies of Receivable from Exchange transactions	To be resolved	Resolved	None
4.11	Inaccuracy of transfers from National Government	To be addressed	Resolved	None
4.12	Unsupported Board of Governors Allowances	To be addressed	Resolved	None
4.13	Frequency of Board Meetings	To be addressed	Resolved	None
4.14	Late remittance of statutory deductions	To be addressed	Resolved	None

Irene Kwoko

Principal/BOG Secretary/Accounting Officer

Date 25/04/2025

Masinga Technical and Vocational College  
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Appendix II- Inter-Entity Confirmation Letter



MINISTRY OF EDUCATION  
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING  
MASINGA TECHNICAL AND VOCATIONAL COLLEGE  
P. O BOX 181 – 90141 MASINGA. Cell Phone 0746327094  
Email: [masingatechnical@gmail.com](mailto:masingatechnical@gmail.com) Website: [www.masingatechnical.ac.ke](http://www.masingatechnical.ac.ke)



The State Department for TVET wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by State Department for TVET[SC/ (Kshs) as at 30th June 2023				Amount Received by [Beneficiary Entity] (Kshs) as at 30 <sup>th</sup> June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	29/09/2022	1,931,400	-	-	1,931,400	1,931,400	0
	26/10/2022	1,815,000	-	-	1,815,000	1,815,000	0
DTE/CAP9/36(84)	26/01/2023	1,795,000	-	-	1,795,000	1,795,000	0
DTE/CAP9/36(84)	27/06/2023	1,820,000	-	-	1,820,000	1,820,000	0
MoE/DTE/CAP9/35/57	26/10/2022	500,000	-	-	500,000	500,000	0

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MoE/DTE/CAP9/35/56	16/01/2023	500,000	-	-	500,000	500,000	0
<b>Total</b>		<b><u>8,361,400</u></b>	<b>=</b>	<b>=</b>	<b><u>8,361,400</u></b>	<b><u>8,361,400</u></b>	<b><u>0</u></b>

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

Head of Accountants department of beneficiary Entity:

Name Dickson Onjala Sign [Signature] Date 25/04/2023