

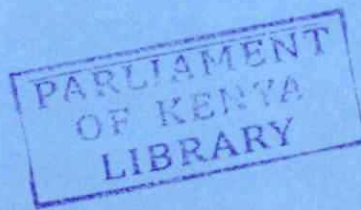
REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 05 JUN 2025	DAY.
TABLED BY:	DEPUTY MAJORITY WHIP
CLERK-AT-THE-TABLE:	CHRISTINE NDIRITU



REPORT

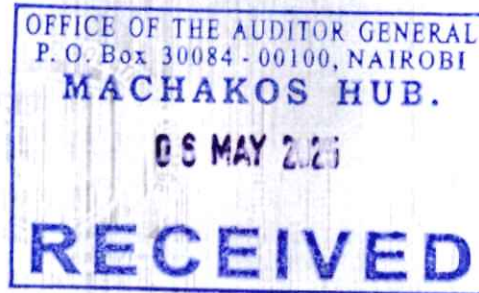
OF

THE AUDITOR-GENERAL

ON

**MULANGO TECHNICAL
AND VOCATIONAL COLLEGE**

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



MULANGO TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

Annual Report and Financial Statements for the year ended 30th June 2023

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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	College 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 College
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

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2. Key Entity Information and Management

(a) Background information

The *institution* was incorporated/ established under county polytechnic bill/act on 1973. The entity is domiciled in Kenya. The college is under the Ministry of Education.

(b) Principal Activities

Mandate

Provide Technical, Vocational Education and Entrepreneurship Training geared towards Self Reliance to meet the Labour Market needs.

Vision Statement

A centre of Excellence in technological training and innovation.

Mission Statement

To offer world class quality and relevant technological training that develops talents, skills, attitudes and nurtures creativity in partnership with industry.

Core Values

- Customer satisfaction
- Courtesy and Confidentiality
- Quality service Delivery
- Team work and collaboration
- Honesty and Integrity
- Professionalism
- Innovation and creativity

(c) Key Management

The Colleges day-to-day management is under the following key organs:

- I. The principal
- II. Mentor Principal
- III. Mentor –Deputy Principal
- IV. Deputy Principal
- V. Finance Officer
- VI. Accounts Clerk

(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	Josiah K Mwania
2.	Mentor principal	Kariuki G Kiarie
3	Head of Finance	Joel K Zakayo

MULANGO TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2023

Key Entity Information and Management

Fiduciary Oversight Arrangements

Finance committee of the B O G

The Committee shall exercise all the powers of Board of Governors on financial matters except in relation to the items which are reserved to board of Governors in these standing orders, on which the Committee shall advise Board of Governors.

Terms of Reference

The role of Committee shall be to monitor the financial status if the College on behalf of Board of Governors. In addition to advising Board of Governors on those matters referred to above, the committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the Colleges strategy with regard to financial matters.
- b) To receive reports from principal and the Finance Officer.
- c) To monitor implementation of the strategy for the College estate.
- d) To receive reports of the extent and condition of the College estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the College estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for the College services and facilities
- g) To supervise the financial administration of the College and make recommendations to the board of Governors where appropriate.
- h) To supervise the arrangements for safeguarding the Colleges assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the Colleges funds, including monitoring the performance of investments.
- k) To ensure appropriate exploitation of the Colleges intellectual property.
- l) To make recommendations to Board of Governors on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the College.
- n) To supervise the Colleges purchasing procedures and practices.
- o) To submit an annual statement on its activities to board of governors.
- p) To keep under review, the activities of the Colleges various departments

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.

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- 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 M T V C and determine their continuance or discontinuation in such programmes
- e) To determine the Academic policy of M T V C and to advise 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.

Management Committee Activities

The main purpose of the Senior Management team is to:

- a) Ensure that M T V C Board of Governors is able to take strategic decisions relating to M T V C activities.
- b) Provide leadership in communicating MTVCs mission, values, plans and achievements effectively and consistently to Board of Governors Members, Staff, Government, the voluntary and community sector, the general public and other stakeholders;
- c) Be accountable for the development and implementation of MTVC's strategic, corporate and business plans in line with the mission and values.
- d. Take a strategic overview of performance in all areas of MTVC's activities.

Specifically, the Senior Management Team:

- a) Makes recommendations to the board on the implementation and achievement of the Board of Governors' Strategic framework;
- b) Agrees MTVC's Corporate plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- c) In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- d) Develops, agree,monitors and reviews strategies relevant to the effective and efficient operation of MTVC, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- e) Determines strategic issues arising from introduction of new policies or process, including actively managing risk across the organisation and regularly reviewing the corporate risk register;
- f) Oversees and monitors MTVC's joint work with other stakeholders
- g) 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 Board of Governors and /or its relevant Committees.
- h) Leads all senior managers in motivating and developing MTVC staff to deliver the highest standards of performance and customer service.

MULANGO TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2023

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.

Government oversight activities

The Government of Kenya's oversight role include provision of Grants for both Operations and Development as well as provision of the regulatory framework.

The audit of the Instructional activities is undertaken by the Office of the Auditor general.

- (e) **Entity Headquarter**
P.O. Box 377
Mulango Technical and Vocational College
Kitui/Wikilillye/Mbitini road
Mulango, KENYA

(b) **Entity Contacts**

MULANGO TECHNICAL AND VOCATIONAL COLLEGE
P O BOX 377-90200 Kitui Kenya
Telephone:0724968101
E-mail: mulangoyp@gmail.com

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- (c) **Entity Bankers**
Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
NATIONAL BANK – Kitui branch
A/C NO:01021051513600
:01020051513601
- (d) **Independent Auditors**

Auditor-General
Office of Auditor General
Anniversary Towers, College Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (f) **Principal Legal Adviser**

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




MULANGO TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

3.The Board of Governors

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	<p>Leonard Musyoka Kisovi</p>  <p>Master of science (in Geography)</p>	<p>D.O.B - 20th July.1956</p> <p>Academic Qualifications -Master of science (in Geography)</p> <p>Title -<i>Chairman of the board</i></p>
2.	<p>John Wamae</p>  <p>MSC-Applied statistics</p>	<p>D.O.B - 1969</p> <p>Qualifications MSC-Applied statistics</p> <p>Title -Tvet County director</p>
3.	<p><i>Josiah K Mwania</i></p>  <p>Master's in education</p>	<p>DOB 1973</p> <p>Qualifications Master's in education</p> <p>Title -Principal/Secretary board of governors</p>
4.	<p>Benjamin mutunga kathanzu</p>  <p>Masters of Science (Nuclear Science & Tech.)</p>	<p>D.O.B - 1988</p> <p>Academic qualifications.</p> <ul style="list-style-type: none"> ▪ BSc. Mechanical Masters of Science (Nuclear Science & Tech.) ▪ Engineering. <p>Work Experience</p> <ul style="list-style-type: none"> ▪ December 2019 –up to date National construction authority Senior Compliance Officer ▪ February 2016 – November 2019 ▪ National construction authority



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		<p>Compliance Officer</p> <ul style="list-style-type: none"> October 2015-January 2016 National Construction Authority :Management Trainee –Registration, compliance & training –NCA Headquarters <p>Title -Member</p>
5.	<p>Jenifer Chepkirui</p>  <p>Bachelor of Laws</p>	<p>DOB -25th May 1977</p> <p>Academic Qualifications -Bachelor of Laws</p> <p>Title -Member</p>
6.	<p>Rose Wanjiku Hunja</p>  <p>MSc Human Resource Management</p>	<p>DOB -5th August 1957</p> <p>Academic Qualifications -MSc Human Resource Management University of Manchester -Bachelor of Arts University of Nairobi -Higher Diploma HRM Kenya polytechnic</p> <p>Title -Member</p>
7.	<p>.Mike Mulandi</p>  <p>BSC-Electrical engineering</p>	<p>D.O.B -1971</p> <p>Academic qualifications -BS-in electrical Engineering-University of Nairobi.</p> <p>Title -Member</p>

MULANGO TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2023




8.	<p>Peter Kiio Manundu</p>  <p>Masters of education</p>	<p>D.O.B -1962</p> <p>Academic qualifications -Masters of education- Seku -Bachelor of Education-Kenyatta university -Hons.Bachelor of arts-UNISA -Diploma in education-Kagumo</p>
9.	<p>Rebeccah Omambia</p>  <p>C P A Finalist</p>	<p>DOB - 1st July 1985</p> <p>Academic Qualifications -C P A Finalist Vision College of professionals Title -Member</p>

4. Key Management Team

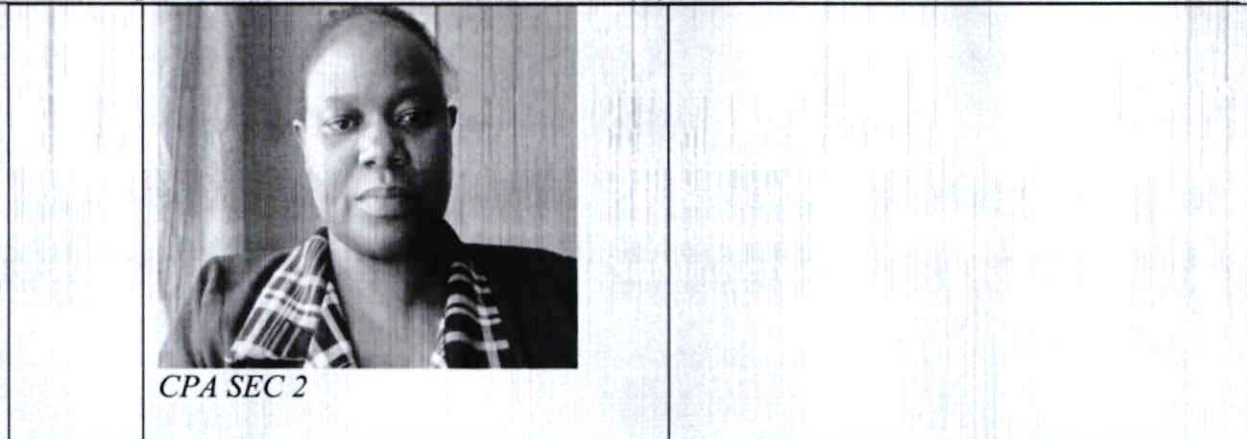
<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	<p><i>Josiah K Mwanja</i></p>  <p>Master's in education</p>	<p><i>Chief Principal</i></p>

MULANGO TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2023

2.	<p><i>Kariuki G Kiarie</i></p>  <p>Bachelor degree in Technology Education</p>	<p><i>Mentor Chief Principal</i></p>
3.	<p><i>M</i></p>  <p>Bachelor degree in Technology (electrical & electronics)</p>	<p><i>Mentor Deputy Principal</i></p>
4.	<p><i>Joel K Zakayo</i></p>  <p><i>CPA(K)</i> Bachelor of Commerce (in progress)</p>	<p><i>Finance officer</i></p>
5.	<p><i>Beatrice Muthami</i></p>	<p><i>Accounts Clerk</i></p>

Annual Report and Financial Statements for the year ended 30th June 2023



5. Chairman’s Statement

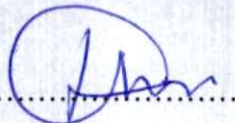
I am pleased to present the annual report and financial statement for Mulango Technical and Vocational College, for the year ended 30th June, 2023.

The Board of Governors came in to being on 8th February, 2023 which was during the third Quarter of the financial year in review. I wish to thank the BOG of the Mentor Institution – Tseikuru Technical Training College for doing a commendable task in overseeing Budget implementation during the transition period. Transition period because Mulango TVC was an upgrade from the former Mulango Vocational Training Centre in the FY2021/2022, and whose implementation started in FY 2022/2023.

We also thank the Board of Management and the Manager of the former Mulango VTC for the smooth handing over of the institution, together with the accounting instruments. We thank the Government of Kenya through the Ministry of Education and State Department of TVET for their support, including posting of a Principal and two members of staff to the college and the financial support through Conditional Recurrent Grants that have been handy in buttressing the training programmes in the young Institution. Also to be noted and highly appreciated is the on-going construction of the twin-storey workshop cum offices complex, fully financed by GOK, under supervision of the Mentor – Tseikuru TTI. If completed within the timelines, which is before the end of the next financial year, Mulango TVC will boast of some of the best training facilities in the County of Kitui.

I thank the College administration led by the Principal for overseeing the renovations and face – lifting of various structures including the staff quarters, workshops, the College gate and both female and males hostels in the College.

Last but not least, I take this opportunity to thank my fellow BOG members, the suppliers and service providers, Parents/Guardians, the local administration, the church and the local community at large for their continued support during the 2022/2023 financial year.


.....

Prof. Leonard Musyoka Kisovi
Chairman Board of Governors (BOG).

MULANGO TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2023

6. Report of the Chief Principal

It is my pleasure and obligation to present the Mulango Technical and Vocational College financial statement for the Financial year ended 30th June, 2023. This is in accordance with the Accrual Basis of Accounting Method under the international Public Sector Accounting standards (IPSAS).

With the support of the BOG we have put in place the necessary financial, procurement and internal controls to ensure effective and efficient utilization of the finances entrusted to us by the public.

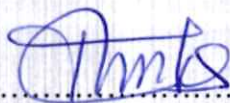
Despite a myriad of financial challenges, Mulango Technical and Vocational College has been able to undertake effective training programmes, renovations and repairs. These include the following:

- i. The relocation and leveling of the playgrounds from the previous site which is now the construction site for the Twin-storey workshop cum office complex.
- ii. Renovations on the staff quarters, specifically the Deputy Principal's residence.
- iii. Renovations on the carpentry and joinery workshop.
- iv. Renovations on the female students' hostels, among other minor repairs.

The College faced acute water shortage during the financial year due to the drying up of the two shallow wells within its compound. This forced the College to purchase water from vendors to bridge the gap which proved extremely expensive.

The Financial year was characterized with prolonged drought and unprecedented rise in commodity prices. This highly affected the implementation of the budget as BOG had to come up with a supplementary budget to bridge the gap.

Despite all the odds, Mulango TVC has continued to grow thanks to the support of the BOG, the training staff, disciplined students and cooperative non – training staff. I also thank the media for robust advertisement to populate the college with students. This will go a long way in ensuring the institution attains us vision and mission.



Josiah Kivondo Mwanja
Principal bog secretary

Annual Report and Financial Statements for the year ended 30th June 2023

7. Statement of Performance against Predetermined Objectives

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

Mulango technical and vocational college has *three* strategic pillars and objectives within its Strategic Plan for the FY 20/21- 24/25. These strategic pillars are as follows:

Pillar 1: Access and equity

Pillar 2: Corporate governance

Pillar 3: Public, Private partnerships

Mulango technical and vocational college develops its annual work plans based on the above *three* 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 22/23 period for its three strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievement
Pillar 1:	Access and equity	To promote access and equity with focus to youth, women and PLWDS	<ul style="list-style-type: none"> • Access to loans, bursaries and sponsorships • Application of modern techniques in teaching 	<ul style="list-style-type: none"> • Increase access to relevant TVET education • Enhance quality of curriculum delivery 	<ul style="list-style-type: none"> • 100% • 100%
Pillar 2:	Corporate governance	To enhance inclusivity in institutional corporate governance	<ul style="list-style-type: none"> • Involvement of both BOG and management in key decision-making process 	<ul style="list-style-type: none"> • Provide leadership in making key strategic decisions 	<ul style="list-style-type: none"> • Prudent results
Pillar 3:	Public, private partnerships	To encourage collaboration and linkages with County Government and stakeholders	<ul style="list-style-type: none"> • Lobby for bursaries from the county government kit • Create opportunities for provision of products and services mutual to all players. 	<ul style="list-style-type: none"> • Collaborate with County Government in ensuring that youth access TVET. • Partner with industry on areas of research, attachments & job description 	<ul style="list-style-type: none"> • High access TVET • Efficient training equipment with s

8. Corporate Governance Statement

i. Appointment of BOG Members

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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 Mulango 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; and (r) discharging all other functions conferred upon it by this Act or any other written law.

iii. Board of Governors Allowances

The college gives sitting allowances to board members to cater for their transport.

iv. Meetings

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

Number of Board members

Annual Report and Financial Statements for the year ended 30th June 2023

During the period under audit, the college had nine board members inclusive of the principal who is secretary to the board.

9. Management Discussion and Analysis

i. Operational Performance;

Management has worked hard to make living of the students in the college easy by working so hard to see if they can get more hostels for both ladies and men.

Financial Performance

The entity is fairly stable financially. It operates on fees received from students and G.O.K capitation

College's compliance with statutory requirements

The college complies with making statutory payments before the relevant deadlines. The collegeworkers' pay P.A.Y.E Tax as generated on the I-tax portal.

Major risks facing the entity

- Water shortage- The College faced water shortage due to lack of reliable water supply in the College.
- Inflation at the market which pushes commodity prices.
- Prologed drought.

Key projects and investments decisions the entity has implemented/ongoing

- i. The relocation and leveling of the playgrounds from the previous site which is now the construction site for the Twin-storey workshop cum office complex.
- ii. Renovations on the staff quarters, specifically the Deputy Principal's residence.
- iii. Renovations on the carpentry and joinery workshop.
- iv. Renovations on the female students' hostels, among other minor repairs.

Material arrears in statutory/financial obligations

The college had outstanding creditors of Ksh 183,930 as at the end of financial year.

The Colleges financial probity and serious governance issues

The College had no financial probity and serious financial issues at the end of the financial year.

10. Environmental and Sustainability Reporting Statement

a) Sustainability strategy and profile -

Annual Report and Financial Statements for the year ended 30th June 2023

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 the college. 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. -the college reports sustainability issues within the college's report separately or incorporated in the integrated colleges report

Economic sustainability embraces general aspects of an organisation that have to be

Environmental performance

The environmental impact of an organization is an important factor in evaluation of a given corporate's level of social responsibility. Deficiency in public awareness of the importance of the environment is the main causes of the low social responsibility among the institution.

The environmental performance of food firm exerts influence on the corporate social responsibility.

b) Employee welfare

Mulango technical and vocational colleges Seeks to improve the welfare of its employees through:

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

Mulango technical and vocational colleges is an equal employer were all the applicants have equal chances of been employed irrespective of their gender, tribe or religion. The colleges ensure gender ratio any time recruitment is taking place. There is a standardised appraisal and rewarding system which applies to all employees within the college. **Mulango technical and vocational colleges** discloses its safety policy and compliance with occupational safety and healthy Acts of 2007, (OSHA)

c) Market place practices-

Mulango technical and vocational colleges maintains corporate social responsibility in the market place practices through: -

The college and the suppliers take responsibility to do no harm to the environment, to reduce waste and pollution as well as complying with the government regulations. In order to stay away in the competition, the college determines its strategies and plan their relevant activities

d) Corporate Social Responsibility /Community Engagements-

MULANGO TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2023

Mulango technical and vocational colleges seeks and maintain important links with the community. The college combine 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.

Mulango technical and vocational colleges engage in community developments as follows;

- Training of community professionals in computer support and maintenance
- Students performs voluntary projects during vacations to the community where they share experiences, knowledge and sustainable practices within the community.
- Students support vulnerable communities in the development and improvement of their housing spaces
- Implementation of a community engagement programme to empower jobless youth

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, 2023 which shows the state of the *college's* affairs.

Principal activities

The core mandate of the College is providing knowledge and skills to the people of the larger KITUI County and beyond.

The Mandate of **Mulango Technical and Vocational College** is to train, impart skills, knowledge and institutionalize effective research and development geared towards production of competent graduates who will contribute to high and sustainable social-economic development.

Results

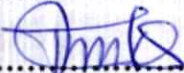
The results of the entity for the year ended June 30th 2023 are set out on Page 1-64

Board of Governors

The members of the Board who served during the year are shown on pages (vii) to (xviii). During the year that ended 30 June 2023 The college was under the board of the mentor college until march 2023 when the new board was inaugurated.

Auditors

The Auditor General is responsible for the statutory audit of **Mulango technical and vocational college** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.



.....
Secretary of the Board

Mulango

Date: 28.04.2025

MULANGO TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2023

12. Statement Of Board Of Governors Responsibilities

The BOG members are responsible for the preparation and presentation of **Mulango Technical and Vocational College** financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (period) ended on June 30, 2023. The BOG 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 college;
- (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) Safe guarding the assets of the *College*;
- (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 *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *the TVET Act 2013*). The BOG members are of the opinion that the *college's* financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2023, and of the *college's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *college*, which have been relied upon in the preparation of the *college's* financial statements as well as the adequacy of the systems of internal financial control.

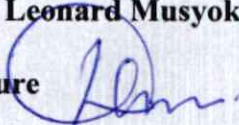
Nothing has come to the attention of the Board members to indicate that the *college* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The *entity's* financial statements were approved by the Board on 28TH APRIL 2025 and signed on its behalf by:

Name: Leonard Musyoka Kisovi

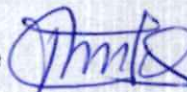
Signature



Chairperson of the Board

Name: Josaih Kivondo Mwanja

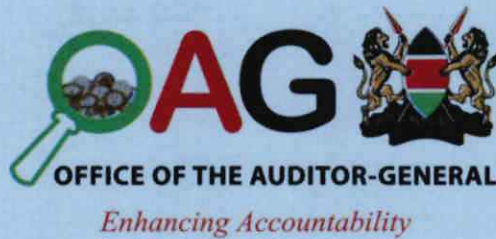
Signature



Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mulango Technical and Vocational College set out on pages 1 to 45, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of

changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information 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 Mulango 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, Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unconfirmed Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 18 to the financial statements reflect cash and cash equivalents balance of Kshs.2,463,361. However, the supporting schedules reflect a balance of Kshs.2,473,362 resulting to unexplained and unreconciled variance of Kshs.10,001. In addition, support schedules for reconciling items on receipts in the bank statement not recorded in the cash book and payments in the bank statement not recorded in the cash book totalling Kshs.201,712 and Kshs.276,988 respectively were not provided for audit review.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.2,463,361 could not be confirmed.

2. Unconfirmed Current Portion of Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.2,748,621 as disclosed in Note 19(a) to the financial statements. However, the balance differs with the recomputed current portion of receivables balance of Kshs.1,078,363 resulting to unexplained and unreconciled variance of Kshs.1,670,258.

In the circumstances, the accuracy and completeness of current portion of receivables from exchange transactions balance of Kshs.2,748,621 could not be confirmed.

3. Unconfirmed Trade and Other Payables

The statement of financial position reflects trade and other payables from exchange transactions of Kshs.183,930. However, the College does not maintain proper records for its creditors and accounts payables. Review of transactions revealed that there are no individual creditors' accounts statements providing details of the debits and credits. Further, Management does not maintain an invoice register to record invoices received.

In the circumstances, the accuracy and completeness of payables balance of Kshs.183,930 could not be confirmed.

4. Unconfirmed Revaluation Reserves

The statement of financial position reflects revaluation reserves balance of Kshs.183,767,484. However, support documents for the revaluation reserves was not provided for audit review.

In the circumstances, the accuracy and fair statement of revaluation reserves balance of Kshs.183,767,484 could not be confirmed.

5. Variance Between Ledger and Financial Statements Amount

The statement of financial performance reflects revenue from rendering of services - fees from students amount of Kshs.17,997,212 while the schedule of billed fees provided in support of the revenue reflects Kshs.18,898,150 resulting to unexplained variance of Kshs.900,938.

In the circumstances, the accuracy and completeness of rendering of service amount of Kshs.17,997,212 could not be ascertained.

6. Misstatement in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.18,918,000 and Kshs.Nil respectively. However, re-computation of the amounts revealed final receipts budget and actual on comparable basis of Kshs.20,918,000 and Kshs.15,753,899 resulting in unexplained variance of Kshs.2,000,000 and Kshs.15,753,899 respectively.

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

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Mulango 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, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the other information set out on pages iii to xx which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Chief 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 Governor's 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 effects of the matter 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

Errors in Annual Report and Financial Statements

Review of the annual reports and financial statements prepared and presented for audit revealed that Note 22 to the financial statements reflects a depreciation rate of 12% for furniture and appreciation rate of 2% for land while the finance policy for the College provides for 12.5 % depreciation for furniture and is silent on land appreciation.

In the circumstances, the rates used could not be confirmed. Further, the annual report and the financial statements presented for audit do not conform to the format prescribed by the Public Sector Accounting Standards Board.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter 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

Appointment of Board of Governors

The statement of financial performance reflects board expenses totalling Kshs.752,345 as disclosed in Note 13 to the financial statements. However, Management did not provide the Gazette Notice through which the Board members were appointed for audit review contrary to the provision of Chapter 1 of the Mwongozo on Governance Practice Paragraph 11 which requires that each Board member shall be formally appointed to the Board through a Gazette Notice and thereafter an appointment letter.

In the circumstances, the validity of the appointments of the Board of Governors 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 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 to sustain its services, disclosing, as applicable, matters related to sustainability of services, and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements 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

07 May, 2025

MULANGO 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

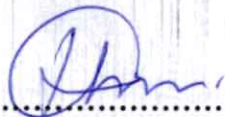
	Notes	FY 2022/2023
		Kshs
Revenue from Non-Exchange transactions		
Transfers from other National Government entities	6(i)	2,000,000
Grants from donors and development partners		-
Transfers from other levels of government		-
Public contributions and donations		-
		2,000,000
Revenue from Exchange transactions		
Rendering of services- fees from students	7(i)	17,997,212
Sale of goods	8	405,930
Rental revenue from facilities and equipment	9	180,750
Finance income		-
Miscellaneous income	10	80,000
		18,663,892
Total Revenue		20,663,892
Expenses		
Use of goods and services	11	15,410,152
Employee costs	12	5,379,196
Board Expenses	13	752,345
Depreciation and amortization expense	14	6,292,755
Repairs and maintenance	15(i)	710,105
Contracted services	16	317,000
Grants and subsidies		0
Finance costs	17	32,810
Total Expenses		28,894,363
Other Gains/(Losses)		
Gain on sale of assets		-
Gain/ Loss on fair value of investments		-
Impairment loss		-
Total Other Gains/(Losses)		
Net deficit for the year		(8,230,471)

(The notes set out on pages 9 to 43 form an integral part of the Annual Financial Statements).

MULANGO TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2023

The Financial Statements set out on pages 1 to 8 were signed by:



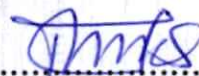
.....
Chairman of the Board

Date 28.04.2025



.....
Finance Officer
ICPAK No 26036

Date 28.04.2025



.....
Principal

Date 28.04.2025

MULANGO 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

Description	Notes	FY 2022/2023
		Kshs
Assets		
Current Assets		
Cash and cash equivalents	18	2,463,361
Current portion of receivables from exchange transactions	19(a)	2,748,621
Receivables from non-exchange transactions	20	500,000
Inventories	21	500,347
Investments in financial assets		-
Total Current Assets		6,212,329
Non-Current Assets		
Long term receivables from exchange transactions		-
Investments		-
Property, plant, and equipment	22	168,515,920
Intangible assets	23	1,200,325
Investment property		-
Biological Assets		-
Total Non-Current Assets		169,716,245
Total Assets		175,928,574
Liabilities		
Current Liabilities		
Trade and other payables from exchange transactions	24	183,930
Refundable deposits from customers		-
Current provisions		-
Finance lease obligation		-
Deferred income		-
Employee benefit obligation		-
Payments received in advance		-
Current portion of borrowings		-
Payments received in advance	26	207,631
Total Current Liabilities		391,561

MULANGO TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2023

Description	Notes	FY 2022/2023
		Kshs
Non-Current Liabilities		-
Finance lease obligation		-
Deferred income		-
Non-Current Employee Benefit Obligation		-
Non-Current Provisions		-
Non-Current Borrowings		-
Service Concession Liability		-
Social benefits		-
Total non-current liabilities		-
Total Liabilities		391,561
Net Assets		175,537,013
Revaluation Reserves		183,767,484
Accumulated Surplus		(8,230,471)
Capital Fund		-
Total Net Assets and Liabilities		175,537,013

The Financial Statements set out on pages 1 to 8 were signed by:



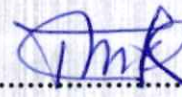
Chairman of the Board

Date 28.04.2025



Finance Officer
ICPAK No 26036

Date 28.04.2025



Principal

Date 28.04.2025

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023				
Revaluation gain	183,767,484	-	-	183,767,484
Surplus/(deficit) for the year	-	(8,230,471)	-	(8,230,471)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	183,767,484	(8,230,471)	-	175,537,013

MULANGO TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

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

Description		FY 2022/2023
	Note	Kshs
Cashflows from operating activities		
Receipts		
Transfers from other National Government entities	6(ii)	1,500,000
Grants from donors and development partners		-
Transfers from other levels of government		-
Public contributions and donations		-
Rendering of services- fees from students	10(ii)	15,311,558
Sale of goods	11	405,930
Rental revenue from facilities and equipment	12	180,750
Finance income		-
Miscellaneous income	14	80,000
Total Receipts		17,478,238
Payments		
Use of goods and services	11	15,410,152
Employee costs	12	5,379,196
Board Expenses	13	752,345
Repairs and maintenance	15(ii)	526,175
Finance costs	17	32,810
Contracted services	16	317,000
Grants and subsidies		0
Total Payments		22,417,678
Net Cash Flows from operating activities	27	(4,939,440)
Cash flows from investing activities		-
Purchase of property, plant, equipment and intangible assets		-
Proceeds from sale of property, plant and equipment		-
Net cash flows used in investing activities		-
Cash flows from financing activities		-
Proceeds From Borrowing		-
Repayment Of Borrowings		-
Net cash flows used in financing activities		-
Net Decrease in Cash and Cash equivalents		(4,939,440)
Cash and Cash equivalents at 1 JULY 2022	18	7,402,801
Cash and Cash equivalents at 30 JUNE 2023	18	2,463,361

MULANGO TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

18 Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	2,000,000	-	2,000,000	1,500,000	500,000	25%
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other levels of government	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- fees from students	8,180,000	(900,000)	7,280,000	13,587,199	(6,307,199)	87%
Sale of goods	7,015,000	4,605,000	11,620,000	405,950	11,214,050	96%
Rental revenue from facilities and equipment	18,000	-	18,000	180,750	162,750	0%
Finance income	-	-	-	-	-	-
Miscellaneous income	-	-	-	80,000	-	0%
Contracts	400,000	(400,000)	-	-	-	-
Total Income	17,613,000	1,305,000	18,918,000		5,069,601	
Expenses						
Use of goods and services	11,904,592		14,378,643	15,410,152	(1,031,509)	(7)%
Employee costs	5,128,408		5,389,355	5,379,196	10,159	0%
Board /Council Expenses	280,000		908,700	752,345	156,355	17%
Repairs and maintenance	300,000		537,000	526,175	10,825	2%
Contracted services	-		320,000	317,000	3,000	1%
Grants and subsidies	-		-	-	-	-
Total Expenditure	17,613,000		15,628,645			

Annual Report and Financial Statements for the year ended 30th June 2023

(Budget notes)

- **Over budgeting of receipts from transfers from other government entities/government grants-**According to paragraph 43 of the public financial management (National Government) regulations, 2015, the accounting officer is required to exercise adequate and realistic budgetary controls. Based on the above observations, the institute had budgeted to collect transfers from other government entities during the year under audit amounting to **ksh 2,000,000** but ended up collecting **kshs1,500,000** hence under collection of **ksh 500,000**. In this case, under collection was as a result of the rapid growth in tvet enrolment numbers which made the government to cut down the amount expected per student per quarter and also not to submit the 4th quarter capitation & recurrent grants to all tvets institutions due to its budget constraints.
- **Under budgeting of receipts from students-** According to paragraph 43 of the public financial management (National Government) regulations, 2015, the accounting officer is required to exercise budgetary controls. During the year under audit, the management of the entity had budgeted to collect fees from students amounting **ksh 7,280,000** but end up collecting **ksh 13,587,199** hence over collection of **ksh 13,587,199**. In this case, the over collection was as results of higher students **admitted** during the year's **admission calendar** due to rapid growth in enlloments as results of the aggressive marketing of the college.
- **Over budgeting of expenditure on director's remuneration.** According to paragraph 43 of the public financial management (National Government) regulations, 2015, the accounting officer is required to exercise budgetary controls. During the financial year under audit, the management of the institute proposed to spend **ksh908,700** on directors' remunerations but ended up spending **ksh752,345** hence a variance of **kshs156,355**. **The** un utilized funds was as a result of the budgetconstrains which lend the college to scale down the number of board meetings for the financial year less than the budgeted.

19 Notes to the Financial Statements

1. General Information

The Institution is established by and derives its authority and accountability from county polytechnic Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide Technical, Vocational Education and Entrepreneurship Training geared towards Self Reliance to meet the labour market needs.

2. Statement of Compliance and Basis of Preparation

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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Standard	Effective date and impact:
	for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. 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
Other improvements to IPSAS	Applicable 1st January 2023 <ul style="list-style-type: none"> • <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). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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

iii. Early adoption of standards

(The entity) did not early-adopt any new or amended standards in year 2023./the entity adopted standard xx and xx. The impact of these standards on entity's financial statements is xx.(amend appropriately)

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 Council or Board on **11.6.2022**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals 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 cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 27 of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per First Schedule Section 10 subsection (a) and (b) of the 2010 income tax Act.

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 50 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 derecognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

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

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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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

Foreign currency transactions

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

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.

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.

Notes to the Financial Statements (Continued)

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Summary of Significant Accounting Policies (Continued)

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 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 June 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:

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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
i) Actual revenue earned from National government entities

Description	FY2022/2023
	Kshs
Unconditional Grants	
Capitation Grants	-
Operational Grant	2,000,000
Unconditional Development grants	-
Other Grants	-
Total unconditional Grants	2,000,000
Conditional Grants amortised/ recognised in revenue	
Library Grant	-
Hostels Grant	-
Administration Block Grant	-
Laboratory Grant	-
Learning Facilities Grant	-
Other Organizational Grants	-
Total Government Grants and Subsidies	2,000,000

ii) Actual revenue received from National government entities

Description	FY2022/2023
	Kshs
Unconditional Grants	
Capitation Grants	1,500,000
Operational Grant	-
Unconditional Development grants	-
Other Grants	-
Total unconditional Grants	1,500,000
Conditional Grants amortised/ recognised in revenue	
Library Grant	-
Hostels Grant	-
Administration Block Grant	-
Laboratory Grant	-
Learning Facilities Grant	-
Other Organizational Grants	-
Total Government Grants and Subsidies	1,500,000

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7. Rendering of Services

i) Actual revenue earned from rendering of services

Description	FY 2022/2023
	Kshs
Tuition Fees	6,360,071
Activity Fees	58,900
Boarding and Accommodation	6,247,336
Examination Fees	199,936
Library Fees	164,510
Facilities And Materials	2,778,613
Registration Fees	1,854,676
Medical	333,170
Total Revenue from The Rendering of Services	17,997,212

This is the fees collected from trainees.

ii) Actual revenue received from rendering of services

Description	FY 2022/2023
	Kshs
Tuition Fees	3,674,417
Activity Fees	58,900
Boarding and Accommodation	6,247,336
Examination Fees	199,936
Library Fees	164,510
Facilities And Materials	2,778,613
Registration Fees	1,854,676
Medical	333,170
Total Revenue from The Rendering of Services	15,311,558

This is the fees collected from trainees.

8. Sale of Goods

Description	FY 2022/2023
	Kshs
	-
Sale of Books	-
Sale of Publications	-
Sale of Farm Produce	-
Cafeteria sales	-
Rent and centre fees	405,930
Total Revenue from Sale of Goods	405,930

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(This is the collections from external debtors and rent)

9. Rental revenue from facilities and equipment

Description	FY 2022/2023
	Kshs
Hire of Facilities and Equipment	180,750
Contingent Rentals	-
Operating Lease Revenue	-
Total	180,750

Notes to the Financial Statements (Continued)

10. Miscellaneous Income

Description	FY 2022/2023
	Kshs
Insurance recoveries	-
Consultancy fees	-
Income from sale of tender	-
Services concession income	-
Sale of tender	80,000
Reimbursements and refunds	-
Graduation fees	-
Bad debts recovered	-
Income written back	-
Miscellaneous income (<i>specify</i>)	-
Total other income	80,000

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Notes To the Financial Statements (Continued)

11. Use of Goods and Services

i) Accrued expenses under use of goods and services

Description	FY 2022/2023
	Kshs
Teaching and learning materials	
Catering and Accomodation	4,153,413
Electricity, Water	271,240
INFD	5,288,956
Security	0
Professional and consultancy services	30,500
Advertising	449,527
Examination fees	1,822,953
System Automation	45,000
Activity/Games/Sports	244,625
Travelling and accommodation	1,842,628
Furniture and fittings	157,000
Cleaning materials	18,380
Postage	0
Printing and stationery	194,509
Hire charges	0
Rent expenses	0
Skills development levies	0
Administration Expences	397,319
Internet expenses	0
Training expenses	494,102
Other (<i>specify</i>)	0
Totalgood and services	15,410,152

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ii) Expenses paid for under use of goods and services

Description	FY 2022/2023
	Kshs
Teaching and learning materials	
Catering and Accomodation	4,153,413
Electricity,Water	271,240
INFD	5,288,956
Security	0
Professional and consultancy services	30,500
Advertising	449,527
Examination fees	1,822,953
System Automation	45,000
Activity/Games/Sports	244,625
Travelling and accommodation	1,842,628
Furniture and fittings	157,000
Cleaning materials	18,380
Postage	0
Printing and stationery	194,509
Hire charges	0
Rent expenses	0
Skills development levies	0
Administration Expences	397,319
Internet expenses	0
Training expenses	494,102
Other (<i>specify</i>)	0
Totalgood and services	15,410,152

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Notes To the Financial Statements (Continued)

12. Employee Costs

Description	FY 2022/2023
	Kshs
Salaries and wages	5,379,196
Employee related costs - contributions to pensions and medical aids	-
Travel, motor car, accommodation, subsistence and other allowances	-
Housing benefits and allowances	-
Overtime payments	-
Social contributions	-
Employee Costs	5,379,196

13. Board Expenses

Description	FY 2022/2023
	Kshs
Chairman's Honoraria	-
Directors Emoluments	-
Board Allowances	752,345
Other Board Expenses	-
Total	752,345

14. Depreciation and Amortization expense

Description	FY 2022/2023
	Kshs
Property, plant and equipment	6,093,080
Intangible assets	199,675
Investment property carried at cost	-
Total depreciation and amortization	6,292,755

15. Repairs and Maintenance

i) Accrued expenses under Repairs and Maintenance

Description	FY 2022/2023
	Kshs
Property	
Investment property - earning rentals	-
Equipment and machinery	-
Vehicles	-
Furniture and fittings	-
Computers and accessories	-
General Repairs	710,105
Total Repairs and Maintenance	710,105

Notes To the Financial Statements (Continued)

ii) Expenses paid for under Repairs and Maintenance

MULANGO TECHNICAL AND VOCATIONAL COLLEGE
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Description	FY 2022/2023
	Kshs
Property	
Investment property – earning rentals	-
Equipment and machinery	-
Vehicles	-
Furniture and fittings	-
Computers and accessories	-
General Repairs	526,175
Total Repairs and Maintenance	526,175

16. Contracted Services

Description	FY 2022/2023
	Kshs
Actuarial valuations	-
Investment valuations	-
Property valuations	317,000
Other (specify)	-
Total contracted services	317,000

17. Finance Costs

Description	FY 2022/2023
	Kshs
Borrowings (Amortized Cost)*	-
Bank charges	32,810
Finance Leases (Amortized Cost)	-
Unwinding of Discount from lease liabilities	-
Interest on Bank Overdrafts	-
Interest on Loans from Commercial Banks	-
Total Finance Costs	32,810

Notes To the Financial Statements (Continued)

18. Cash and Cash Equivalents

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Description	FY 2022/2023
	Kshs
Current Account	2,463,361
On - Call Deposits	-
Fixed Deposits Account	-
Staff Car Loan/ Mortgage	-
Others (Specify)	-
Total Cash and Cash Equivalents	2,463,361

Notes To The Financial Statements (Continued)

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

Financial Institution	Account number	FY 2022/2023
		Kshs
a) Current Account		
-Operation Account	01021050513600	1,980,556
-Development Account	01020051513601	479,975
Sub- Total		2,460,531
b) On - Call Deposits		
Kenya Commercial Bank		-
Equity Bank – etc.		-
Sub- Total		-
c) Fixed Deposits Account		
Kenya Commercial Bank		-
Bank B		-
Sub- Total		-
d) Staff Car Loan/ Mortgage		
Kenya Commercial Bank		-
Bank B		-
Sub- Total		-
e) Others (Specify)		
Cash in Transit		-
Cash in Hand		2,830
Mobile Money account		-
Sub- Total		-
Grand Total		2,463,361

Notes to the Financial Statements (Continued)

19. Receivables from Exchange transactions

19(a) Current Receivables from Exchange transactions

Description	FY 2022/2023
	Kshs
Current Receivables	
Student Debtors	2,893,285
Rent Debtors	-
Consultancy Debtors	-
Other Exchange Debtors	-
Less: Impairment Allowance (5%)	(144,664)
Total Current Receivables	2,748,621

19 (b) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2022/2023	
	Kshs	
	2022/2023	% of the total
Less than 1 year	2,893,285	100
Between 1- 2 years	-	-
Between 2-3 years	-	-
Over 3 years	-	-
Total (a+b)	2,893,285	100

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20. Receivables from Non-Exchange transactions

Description	FY 2022/2023
	Kshs
CurrentReceivables	
Capitation Grants*	-
Recurrent grant	5,00,000
Transfers from Other Govt. entities	-
Undisbursed Donor Funds	-
OtherDebtors(Non-ExchangeTransactions)	-
Less:ImpairmentAllowance	-
TotalCurrentReceivables	500,000

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

Description	FY 2022/2023	
	Kshs	
	Current FY	% of the total
Less than 1 year	500,000	100
Between 1- 2 years	-	-
Between 2-3 years	-	-
Over 3 years	-	-
Total	500,000	100

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21. Inventories

Description	FY 2022/2023
	Kshs
Consumable stores	500,347
Maintenance stores	-
Health Unit stores	-
Electrical stores	-
Cleaning Materials stores	-
Catering stores	-
Less: Impairment allowance	-
Total Inventories at lower of Cost and Net Realizable Value	500,347

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Notes to the Financial Statements (Continued)

22. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Electrical)	Plant and Equipment	Capital Work in progress	Total
Cost	Shs		Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 01.07. 20222	3,600,000	144,640,000	-	6,519,208	1,350,000	8,299,417	10,200,375	-	174,609,000
Additions during the period	-	-	-	-	-	-	-	-	-
Disposals during the period	-	-	-	-	-	-	-	-	-
Depreciation for the period	72,000	(2,892,800)	-	(782,305)	(270,000)	(995,930)	(1,224,045)	-	(6,093,080)
Impairment for the period	-	-	-	-	-	-	-	-	-
As at 30.06.2023	-	-	-	-	-	-	-	-	-
Net book values									
As at 01.07.2022	3,600,000	144,640,000	-	6,519,208	1,350,000	8,299,417	10,200,375	-	174,609,000
As at 30.06.2023	3,672,000	141,747,200	-	5,736,903	1,080,000	7,303,487	8,976,330	-	168,515,920

MULANGO TECHNICAL AND VOCATIONAL COLLEGE

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Notes to the Financial Statements (Continued)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The above assets have been depreciated as per the college approved finance policy as follows:

- Furniture, electrical fittings, plant & equipment-12%
- Computers -20%
- Motor vehicles-12%
- Buildings 2%

Land has been appreciated at the rate of 2% p.a

23. Intangible Assets

Description	Period ended June 2023
	KShs
Cost	
At beginning of the Quarter	1,400,000
Additions during the period(server)	-
At end of the period	-
Additions–internal development	-
At end of the period	-
Amortization and impairment	
At beginning of theyear	-
Amortization during the period	(199,675)
At end of the period	-
Impairment loss during the period	-
At end of the period	-
NBV	1,200,325

Intangible assets are amortised at the rate of 20% on cost

Notes to the Financial Statements (Continued)

24. Trade and Other Payables

Description	FY 2022/2023	
	Kshs	
Trade payables	183,930	
Fees paid in advance	-	
Salary deductions	-	
Third-Party Payments	-	
Other Payables	-	
Total Trade and Other Payables	183,930	
Ageing analysis:	FY2022/2023	% of the Total
Under one year	183,930	100

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1-2 years	-	-
2-3 years	-	-
Over 3 years	-	-
Total (to tie to totals above)	183,930	100

Notes to the Financial Statements (Continued)

25. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	Insert Current FY	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

The entity operates a defined benefit scheme for all full-time employees from July 1, 20xx. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

Description	FY 2022/2023
	Kshs
Discount Rates	-
Future Salary Increases	-
Future Pension Increases	-
Mortality (Pre- Retirement)	-
Mortality (Post- Retirement)	-
Withdrawals	-
Ill Health	-
Retirement	-

Recognition of Retirement Benefit Asset/ Liability

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

Description	2022-2023
	Kshs
The return on defined plan assets	-
Actuarial gains/ losses arising from changes in demographic assumptions	-
Actuarial Gains/ Losses Arising Fromchanges In Financial Assumptions	-
Actuarial gains and losses arising from experience adjustments	-
Others (<i>specify</i>)	-
Adjustments for restrictions on the defined benefit asset	-
Remeasurement of the net defined benefit liability (asset)	-

b) Amounts recognised in the Statement of Financial Position

Description	2022-2023
	Kshs
Present value of defined benefit obligations(a)	-
Fair value of plan assets(b)	-
Funded status(=a-b)	-
Restrictions on asset recognised	-
Others	-
Net asset or liability arising from defined benefit obligation	-

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The 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 at Kshs. XXX per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

26. Payments received in advance.

Description	2022-2023	
	Kshs	
Fees received in advance	207,631	
Others (Specify)	-	
Total	207,631	
Ageing analysis:	Current FY	% of the Total
Under one year	207,631	100
1-2 years	-	-
2-3 years	-	-
Over 3 years	-	-
Total	207,631	100

Notes to the Financial Statements (Continued)

27. Cash generated from operations.

Surplus for the year before tax	2022-2023
	Kshs
Adjusted for:	
Depreciation	6,292,755
Non-Cash grants received	-
Contributed assets	-
Impairment	-
Gains and Losses on Disposal of Assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Finance Income	-
Finance Cost	32,810
Working Capital Adjustments	-
Increase in Inventory	500,347
Increase in Receivables	-
Increase in Deferred Income	-

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Surplus for the year before tax	2022-2023
	Kshs
Increase in Payables	183,930
Increase in Payments received in advance	-
Net Cash Flow from Operating Activities	(4,939,440)

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Notes to the Financial Statements (Continued)

28. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023 (current year)				
Receivables from exchange transactions	2,748,621	2,748,621	-	-
Receivables from non-exchange transactions	475,000	475,000	-	-
Bank balances	2,463,361	2,463,631	-	-
Total	5,686,982	5,686,982	-	-

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

Notes to the Financial Statements (Continued)

Financial risk management (continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for

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uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023 (current year)				
Trade Payables	391,561	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	391,561	-	-	-

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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.

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities	-	-	-
Trade and Other Payables	-	-	-
Borrowings	-	-	-
	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

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Notes to the Financial Statements (Continued)

Financial risk management (continued)

Foreign currency sensitivity analysis

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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

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

iv) Capital Risk Management

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

Description	2022-2023
	Kshs
Revaluation Reserve	183,746,484
Retained Earnings	(8,230,471)
Capital Reserve	-
Total Funds	175,516,013
Total Borrowings	-
Less: Cash and Bank Balances	2,463,361
Net Debt/(Excess Cash and Cash Equivalents)	173,052,652
Gearing	

Notes to the Financial Statements (Continued)

29. Events After The Reporting Period

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

30. Ultimate And Holding Entity

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

31. Currency

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

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32. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

Guidance Notes:

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


 Name: Josiah Mwanja
 Accounting Officer
 Principal
 Date 28.04.2025

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Appendix II: Projects Implemented by Mulango Technical and Vocational College

Projects

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

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

Status of Projects completion

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Relocation & levelling of the play ground from the previous	314,000	30 th June 2023	80%	314,000	314,000	B.O.G
2.	Rennovations of staff quarters	114,395	30 th June 2023	80%	114,395	114,395	B.O.G
3	Renovations of the capentry workshop	259,100	30 th June 2023	80%	259,100	259,100	B.O.G
4	Renovations of the female workshop	300,000	30 th June 2023	80%	300,000	300,000	B.O.G

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There were no major investments/projects carried out during the financial year

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Appendix III- Inter-Entity Confirmation Letter

The [insert SC/SAGA/Fund name here] wishes to confirm the amounts disbursed to you as at 30th 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 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received by [Beneficiary Entity] (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter- Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accountants department of beneficiary Entity:

Name Del K. Zaka Sign [Signature] Date 28/04/2023

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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

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