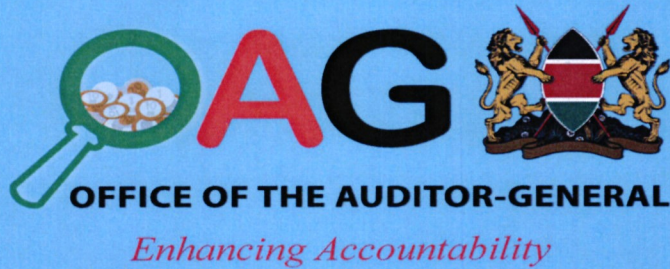


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY	
REPORT	DATE: 25 JUL 2023
	DAY: WEDDAY
TABLED BY:	Hon. Naomi Waga, MP Deputy Majority Whip
OF THE TABLE:	Anne Shubuko

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THE AUDITOR-GENERAL

ON

KIANJA VOCATIONAL TRAINING CENTRE

**FOR THE YEAR ENDED
30 JUNE, 2022**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
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KIANJA VOCATIONAL TRAINING CENTRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2022**

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

Kianja Vocational Training Centre
P.O. Box 3442 - 40100,
Kisumu
Date.....

Kianja Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2022

Kianja Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2022

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I. Key Entity Information and Management

(a) Background information

Kianja VTC was a brain child of former Mp Gor Sungu who in 1997 had a meeting with the stakeholders where it was agreed that part of the Primary School land be apportioned for the VTC, however there were no allocations until in 2014 when the County Government of Kisumu allocated funds for the construction of a twin workshop and a four door pit latrine.

That financial year of 2014/2015, the construction was done upto the substructure stage for both the workshop and the pit latrine, it was then done to completion during the financial year 2019/2020 and in November, the Government deployed the first staff and the institution opened its doors for the pioneers in January, 2021.

(b) Statutory Requirements

The centre is on the process of registering with TVETA under the TVET Act 29/2013

(c) Location

The institution is located off Kisumu-Miwani-Chemelil road about 2.5 Km from Guba Centre to the institution, next to Kianja Primary School.

(d) Principal Activities

- Skills Training
- Skills development

The institution operates under the County Government of Kisumu, Ministry of Education, ICT and Human Resource Development. The Vocational Centre stands on a 0.04 Hectares of land donated by the community through the Primary School.

Courses Offered

1. Building Technology (Masonry)
2. Fashion Design and Garment Making Technology
3. Motor Vehicle Technology

Vision

Acquisition of Quality Skills to The Youth

Mission

Holistic Development of Trainers in quality skills for a better future

Motto

Value in Skills

Objectives

- Achieve and maintain high level of quality training
- Ensure compliance with the Technical and Vocational Education and Training Act, 2013 and other relevant statutory and safety requirements.

Kianja Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2022

(e) Key Management

The centre day to day management is under the following key orgsns:

- Board of Governors
- County Directorate
- Centre Management

(f) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Description	Name
1.	CECM	Mr. John Obiero Awiti
2.	Chief Officer	Mrs. Peninah Onyango
3	Director	Mrs. Pascaliah Ouma
4	Centre Manager	Mr. Ojuang Ochieng Frank
5	BOG Chairperson	Mr. Samwel Midigo Obondo

(g) Fiduciary Oversight Arrangements

- *County Executive*
- *Audit committee activities*
- *Development partner oversight activities*

Kianja Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2022

Key Entity Information and Management (Continued)

(h) Entity Headquarters

P.O. Box 3,442 - 40100
KISUMU
KENYA

(i) Entity Contacts

Phone: 0720179305

E-mail: kianjaevtc@gmail.com

(j) Entity Bankers

Kenya Commercial Bank Ltd, Kisumu Main Branch
P.O.Box 17- 40100
Kisumu

(k) Independent Auditors

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

(l) Principal Legal Adviser

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

Kianja Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2022

II. The Council/Board of Governors

No.	Member / Director	Details
1.	Board of Governors Chair Person – Samwell Midigo Obondo	Mr. Samwell Midigo Obondo was appointed the Chairperson of the Board of Governors on 14 th of September, 2020. He holds a Diploma in Education and P1 certificate, in addition he is a deputy head teacher an administrative position he has held for the last 6 yrs.
2.	M/s Lynette Akinyi Samo	Finance Representative
3.	Mrs. Alice Apiyo Wandere	Industry Representative
4.	Mr. Julius Otieno Odongo	ICT Representative
5.	Mr. Jeffry James	Technology Representative
6.	Mr. Jack Ouma Cleophas	Engineering Representative
7.	Mr. Edward Oyoo Amonde	Leadership and Management
8.	Mrs Paschalia Ouma	Director VET Kisumu County
9.	Mr. Maurice Oricho	Sub County Administrator
10.	Mr. Frank G.O. Ojuang'	Secretary to the Board of Governors / Centre Manager

III. Management Team

No.	Member / Director	Details
1.	Centre Manager	Overall in charge of the centre
2.	Deputy Centre Manager	In charge of curriculum / Discipline
3.	Heads of Department	In charge of respective departments

Kianja Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2022

<i>(Note: The Principal and the Secretary to the Council/ BoG will feature both under the 'Board' and 'Management').</i>
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Kianja Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2022

V. Report of the Centre Manager


This January, Kianja opened its door for trainees within Kajulu and its environs, I am very grateful for the far that we have reached since the onset despite the challenges being caused by the Covid 19 pandemic.

We have survived with the limited resources from the trainees' sacrificing especially on their materials for learning and this has kept them going up to this time of closing the financial year 2021/ 2022 with an enrolment of 26 No. total students.

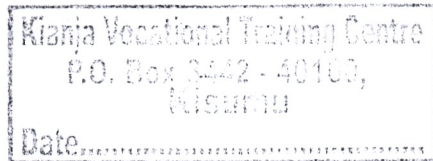
May I also reinstate here-in that, the challenges that have been mentioned in the BoG chairman's report above has adversely affected the smooth management of our institution. As board we are planning to work on ways of ensuring the challenges are looked into in the financial year 2022/2023 to further boost our enrolment.

Let me take this opportunity to thank staff members who have volunteered their services to ensure the trainees get the requisite knowledge in the various departments and all the stakeholders of Kianja VTC for the tireless effort in ensuring we achieve all our set goals with all the limitations.

Signed,



Frank G.O. Ojuang'



Kianja Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2022

VI. 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.

Kianja VTC has 4 strategic pillars and objectives within its strategic plan being developed for the FY 2021/2022 – 2022/2023.

These are as follows;

- Pillar 1: To open its doors and admit at least 30 No. trainees.
- Pillar 2: To offer quality training and examination performance
- Pillar 3: To improve centre infrastructure and facilities
- Pillar 4: To effectively and efficiently manage financial resources

Kianja VTC develops its annual work plans based on the above 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Kianja VTC achieved its performance targets set for the FY 2021/22 period for its 4 pillars, as indicated in the diagram below:

		Key Performance Indicators	Activities	Achievements
Pillar 1	To admit at least 30 number trainees this FY	Trainee Admissions	Community sensitizations, Initiating lunch program	Trainees admitted 26 No. thus 87%
Pillar 2	To offer quality training and examination performance.	<ul style="list-style-type: none"> • Examination records • Trainee retention 	<ul style="list-style-type: none"> • Provision of quality training across the 3 departments 	20% of trainees retained
Pillar 3	To improve centre infrastructure and facilities	<ul style="list-style-type: none"> • Infrastructure and facilities improved 	<ul style="list-style-type: none"> • Planning, Resource mobilization 	50% of the facility improved
Pillar 4	To effectively and efficiently manage financial resources	<ul style="list-style-type: none"> • Follow the laid down procedure in financial management to procure goods and services 	<ul style="list-style-type: none"> • Internal control mechanisms • Conducting routine audit 	85% of the books of account kept

VII. Corporate Governance Statement

Appointment of Board of Governance

The current BoG members were appointed in accordance with the first schedule Section 28(1)(a) and the National Schedule Section 1 & 2 of Tvet Act No. 29 Of 2013 on 12th of November 2020.

Membership of the Board of Governance is as follows

- a) A Chairperson
- b) A representative of the minister / CECM in the department responsible for Technical and Vocational Training
- c) A representative of County Governor

And

Six other persons appointed on the basis of their knowledge and experience in:-

1. Leadership and management.
2. Financial management
3. Technology
4. Industry
5. Engineering
6. Information Communication Technology

Responsibility of the Board of Governance

The board is responsible for;

1. The mission and vision of the centre
2. Promoting the aims and objectives of the centre
3. Setting strategic directions for the centre
4. Monitoring performance against strategic objectives
5. Extending links and communication between the centre and the wider community
6. Fundraising and resource mobilisation

Remuneration of the Board of Governors Members

The BoG members are paid a sitting allowance for every meeting attended. The sitting allowance paid the members is disclosed in the financial statements

The Board of Governance meetings

The meetings of the full board are held at least once every quarter in a calendar year. In order to facilitate the smooth running of its affairs, the BoG establishes such committees with the membership and with such terms of reference as it may deem fit. During the financial YR 2021/2022 one board meeting was held and two committee meetings were held.

The following committees were in place during the FY 2021/2022

1. Finance & Strategic planning committee
2. Innovation & Infrastructure committee

VIII. Management Discussion and Analysis

The manager's office was partitioned for easy control of visitors and help secure tools used in management and for privacy when handling various clients.

IX. Environmental And Sustainability Reporting Statement

Kianja VTC helps the society in transforming their lives for this is our purpose;

Driving force behind everything we do

It's what guides us to deliver our strategy, which is founded in the 4 pillars, putting the customer citizen first, delivering relevant goods and services and improving operational excellence.

Below is a brief highlight of our achievements in each pillar:

1. Environmental performance

The institution received 100 seedlings from the County Government of Kisumu through Equity Bank and planted in the financial 2021/2022. It was agreed to have a day every term to have an activity to help protect the environment either to plant more trees or weed the existing ones, cleaning the drainage along the institutions boundary.

2. Employee welfare

The employees have a functional welfare where their affairs are catered for and they join on their own volition.

3. Corporate Social Responsibility / Community Engagements

Kianja VTC engages with the community on activities organized and employs the community members on temporary terms on need basis.

X. Report of the Board of Governors

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

Principal activities

Kianja VTC's mainly mandate is training and skills upgrading of artisan trainees

Results

The institution just had their first intake this January 2021 we hope the first trainees will sit for their examination in November 2022 ie during FY 2022/2023 first quarter.

Kianja Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2022

Council/Board of Governors

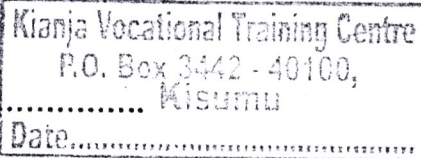
The members of the Board /Council who served during the year are shown on page V.
During the year 2021/2022 no one retired/ resigned thus there was no new appointments.

Auditors

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 2022, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board





Secretary of the Board

Date: 2/6/2023

Kianja Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2022

XI. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013*) - require the BoG members to prepare financial statements in respect of Kianja VTC, which give a true and fair view of the state of affairs of Kianja VTC at the end of the financial year 2021/2022 and the operating results of Kianja VTC for that year/2021-2022. The BoG members are also required to ensure that Kianja VTC keeps proper accounting records which disclose with reasonable accuracy the financial position of Kianja VTC. The BoG members are also responsible for safeguarding the assets of Kianja VTC.

The BoG members are responsible for the preparation and presentation of Kianja VTC financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year 2021/2022 on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *the TVET Act* – The BoG members are of the opinion that Kianja VTC financial statements give a true and fair view of the state of Kianja VTC transactions during the financial year ended June 30, 2022, and of Kianja VTC financial position as at that date. The BoG members further confirm the completeness of the accounting records maintained for Kianja VTC, which have been relied upon in the preparation of the Kianja VTC's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Kianja VTC financial statements were approved by the Board on 8th of July, 2022 and signed on its behalf by:


.....

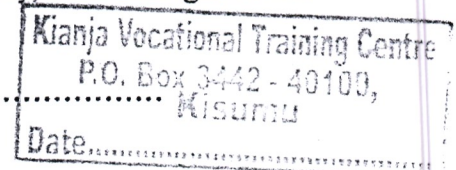
Name

Chairperson of the Board


.....

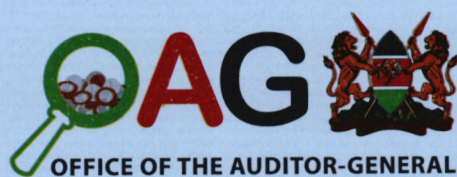
Name

Centre Manager



REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KIANJA VOCATIONAL TRAINING CENTRE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kianja Vocational Training Centre set out on pages 1 to 54, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual

Report of the Auditor-General on Kianja Vocational Training Centre for the year ended 30 June, 2022

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 the Kianja Vocational Training Centre as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training (TVET) Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Trial Balance

The financial statements were supported by a trial balance which omitted employee costs amounting to Kshs.218,000 and property, plant and equipment balance of Kshs.6,721,200.

In the circumstances, the accuracy of the financial statements could not be confirmed.

2. Inaccuracies in Use of Goods and Services

The statement of financial performance reflects an amount of Kshs.371,999 in respect of use of goods and services as disclosed in Note 15 to the financial statements. However, the expense analysis provided for audit revealed an amount of Kshs.341,654 resulting to an unexplained and unreconciled variance of Kshs.30,3445.

In the circumstances, the accuracy and completeness of the use of goods and services amount of Kshs.371,999 could not be confirmed.

3. Unsupported Employee Costs

The statement of financial performance reflects employee costs amounting to Kshs.218,000 as disclosed in Note 16 to the financial statements. However, appointed letters and Board minutes approving the appointments of the Centre Manager, the instructor of motor vehicle mechanics, instructor of fashion and design and security guard were not provided for audit.

In the circumstances, the accuracy and completeness of the employee's costs amount of Kshs.218,000 could not be confirmed.

4. Undisclosed Board Expenses

The statement of financial performance reflects nil expenditure under Board expenses. However, review of documents indicated that the Board met once during the year but the respective Board expenses were not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the Nil Board expenses could not be confirmed.

5. Inaccuracies in Repairs and Maintenance

The statement of financial performance reflects an amount of Kshs.236,705 in respect of repairs and maintenance as disclosed in Note 19 to the financial statements. However, review of expense analysis indicated an amount of Kshs.268,250 resulting in an unexplained and unreconciled variance of Kshs.31,545.

In the circumstances, the accuracy and completeness of repairs and maintenance expenditure of Kshs.236,705 could not be confirmed.

6. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.28,296. However, Management did not maintain a cashbook during the year under review. No explanation was provided for failure to record the transaction in the cashbook.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.28,296 could not be confirmed.

7. Unsupported Property, Plant and Equipment

The statement of financial position reflects a balance of Kshs.6,721,000 relating to property, plant and equipment as disclosed in Note 31 to the financial statements. However, no supporting schedules were provided for audit.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.6,721,000 could not be confirmed.

8. Undisclosed Account Receivables

The statement of financial position reflects a Nil balance on receivables from exchange and non-exchange transactions. However, review of records provided for audit revealed that there were outstanding receivables amounting to Kshs.458,800 as at 30 June, 2022 which were not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the Nil balance of the account receivables could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kianja Vocational Training Centre Management in accordance with ISSAI 130 on 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 judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts shows total budgeted and actual revenue of Kshs.1,152,000 and Kshs.855,000 respectively, resulting to a shortfall of Kshs.297,000 or 25% of the approved budget. Similarly, the Centre incurred an expenditure of Kshs.826,704 against the budgeted expenditure of Kshs.1,152,500 resulting to under-expenditure of Kshs.325,796 or 28% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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 control, 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 Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Centre'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 either intends to terminate the Centre 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 are in compliance with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Centre's financial reporting process, reviewing the effectiveness of how the 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Centre's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Centre to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Centre to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 July, 2023

Kianja Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2022

XII. Statement of Financial Performance for the year ended 30 June 2022

Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	xxx	xxx
Grants from donors and development partners	7	xxx	xxx
Transfers from other levels of government	8	855,000.00	xxx
Public contributions and donations	9	xxx	xxx
		xxx	xxx
Revenue from Exchange transactions			
Rendering of services- fees from students	10	xxx	xxx
Sale of goods	11	xxx	xxx
Rental revenue from facilities and equipment	12	xxx	xxx
Finance income	13	xxx	xxx
Other income	14	xxx	xxx
Revenue from Exchange transactions		xxx	xxx
Total Revenue		855,000.00	xxx
Expenses			
Use of goods and services	15	371,999.00	xxx
Employee costs	16	218,000.00	xxx
Board /Council Expenses	17	xxx	xxx
Depreciation and amortization expense	18	xxx	xxx
Repairs and maintenance	19	236,705.00	xxx
Contracted services	20	xxx	xxx
Grants and subsidies	21	xxx	xxx
Finance costs	22	xxx	xxx
Total Expenses		826,704.00	xxx
Other Gains/(Losses)			
Gain on sale of assets	23	xxx	xxx
Unrealized gain on fair value of investments	24	xxx	xxx
Impairment loss	25	(xxx)	(xxx)
Total Other Gains/(Losses)		xxx	xxx
Net surplus for the year		28,296.00	xxx
Attributable to:			
Surplus/(deficit) attributable to minority interest		xxx	(xxx)
Surplus attributable to owners of the controlling entity		xxx	xxx
		xxx	xxx

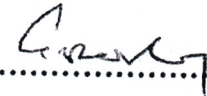
Kianja Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2022

**(The notes set out on pages x to xx form an integral part of the Annual Financial Statements).*

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


.....

Chairman of Council/Board


.....

Finance Officer

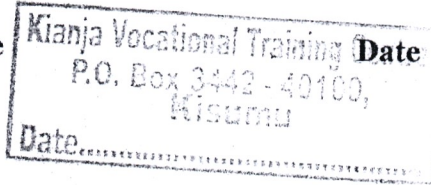

.....

Principal

ICPAK No

Date

Date



21/6/2023

XXX TTI/TVETs/National Polytechnic/Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2022

XIII. Statement of Financial Position as at 30th June 2022

Assets			
Current Assets			
Cash and cash equivalents	26	28,296.00	xxx
Current portion of receivables from exchange transactions	27(a)	xxx	xxx
Receivables from non-exchange transactions	28	xxx	xxx
Inventories	29	xxx	xxx
Investments	30	xxx	xxx
		28,296.00	xxx
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	xxx	xxx
Investments	30	xxx	-
Property, plant, and equipment	31	6,721,000.00	xxx
Intangible assets	32	xxx	xxx
Investment property	33	xxx	xxx
		xxx	xxx
Total Assets		6,749,296.00	xxx
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	34	xxx	xxx
Refundable deposits from customers	35	xxx	xxx
Current provisions	36	xxx	xxx
Finance lease obligation	37	xxx	xxx
Current portion of borrowings	41	xxx	xxx
Deferred income	38	xxx	xxx
Employee benefit obligation	39	xxx	xxx
Payments received in advance		xxx	xxx
		xxx	xxx
Non-Current Liabilities			
Finance lease obligation	37	xxx	xxx
Deferred income	38	xxx	xxx
Non-Current Employee Benefit Obligation	39	xxx	xxx
Non-Current Provisions	40	xxx	xxx

Kianja Vocational Training Centre

Annual Report and Financial Statements for the year ended 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Borrowings	41	xxx	xxx
Service Concession Liability	42	xxx	xxx
Deferred Tax Liabilities	49	xxx	xxx
		xxx	xxx
Total Liabilities		xxx	xxx
Net Assets		6,749,296.00	xxx
Reserves		xxx	xxx
Accumulated Surplus		28,296.00	xxx
Capital Fund		6,721,000.00	xxx
Total Net Assets and Liabilities		6,749,296.00	xxx

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

[Signature]

Chairman of Council/Board

Date

[Signature]

Finance Officer

ICPAK No

Date

[Signature]

Principal

Date

Kianja Vocational Training Centre
P.O. Box 3442 - 40100,
Kisumu
Date.....

2/6/2023

At July 1, 2020	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Revaluation gain	xxx	-	-	-	-	-	-	xxx	xxx
Fair value adjustment on quoted investments	-	xxx	-	-	-	-	-	xxx	xxx
Total comprehensive income	-	-	xxx	-	-	xxx	-	xxx	xxx
Capital/development grants received during the year	-	-	-	-	-	-	xxx	xxx	xxx
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	xxx	(xxx)	-	-	-	-
At June 30, 2021	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
At July 1, 2021	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Revaluation gain	xxx	-	-	-	-	-	-	xxx	xxx
Fair value adjustment on quoted investments	-	xxx	-	-	-	-	-	xxx	xxx
Total comprehensive income	-	-	28,296.00	-	-	xxx	-	28,296.00	xxx
Capital/development grants received during the year	-	-	-	-	-	-	6,721,000.00	6,721,000.00	6,721,000.00
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	xxx	(xxx)	-	-	-	-
At June 30, 2022	xxx	xxx	28,296.00	6,721,000.00	6,749,296.00	6,749,296.00	6,749,296.00	6,749,296.00	6,749,296.00

Note:

- For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
- Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

XXX TTI/TVETs/National Polytechnic/Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2022

XV. Statement of Cash Flows for the year ended 30 June 2022


Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants		855,000.00	xxx
Public contributions and donations		xxx	xxx
Rendering of services- fees from students		xxx	xxx
Sale of goods		xxx	xxx
Rental revenue from facilities and equipment		xxx	xxx
Finance income		xxx	xxx
Other income		xxx	xxx
Total Receipts		855,000.00	xxx
Payments			
Compensation of employees	16	218,000.00	xxx
Use of goods and services	15	371,999.00	xxx
Repairs and Maintenance	19	236,705.00	xxx
Rent paid		xxx	xxx
Taxation paid		xxx	xxx
Other payments		xxx	xxx
Grants and subsidies paid		xxx	xxx
Total Payments		826,704.00	xxx
Net Cash Flows from operating activities	43	xxx	xxx
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(xxx)	(xxx)
Proceeds from sale of property, plant and equipment		xxx	xxx
Net cash flows used in investing activities		(xxx)	(xxx)
Cash flows from financing activities			
Proceeds From Borrowing		xxx	xxx
Repayment Of Borrowings		(xxx)	(xxx)
Deposits receipts		xxx	xxx
Net cash flows used in financing activities		(xxx)	(xxx)
Net Increase/(Decrease) in Cash and Cash equivalents		28,296.00	(xxx)
Cash and Cash equivalents at 1 JULY	26	xxx	xxx
Cash and Cash equivalents at 30 JUNE	26	28,296.00	xxx

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation).

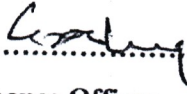
Kianja Vocational Training Centre

Annual Report and Financial Statements for the year ended 30th June 2022

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



.....
Chairman of Council/Board



.....
Finance Officer



.....
Principal

Date

ICPAK No

Date

Kianja Vocational Training Centre	
P.O. Box 3442 - 40100, Date	
Kisumu	
Date

2/6/2023

XXX TTI/TVETs/National Polytechnic/Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 2022

XVI. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other govt entities and govt grants-County govt of Kisumu.	855,000.00	(xxx)	855,000.00	855,000.00	-	-	100%
School fees	297,500.00	(xxx)	297,500.00	-	297,500.00	0%	0%
Rendering of services- fees from students	xxx	(xxx)	xxx	xxx	(xxx)	xxx%	xxx%
Sale of goods	xxx	-	xxx	xxx	(xxx)	xxx%	xxx%
Finance income	xxx	-	xxx	xxx	xxx	xxx%	xxx%
Other income	xxx	-	xxx	xxx	xxx	xxx%	xxx%
Gains on disposal, rental income and agency fees	xxx	xxx	xxx	xxx	(xxx)	xxx%	xxx%
Total Income	1,152,500.00	(xxx)	1,152,500.00	855,000.00	297,500.00	74%	
Expenses							
Compensation of employees	xxx	-	xxx	xxx	(xxx)	xxx%	xxx%
Use of goods and services	591,850.00	(xxx)	591,850.00	371,999.00	219,851.00	63%	63%
Employees cost	212,500.00	(xxx)	212,500.00	218,000.00	5,500	103%	103%
Rent paid	xxx	(xxx)	xxx	xxx	-	xxx%	xxx%
Repairs & Maintenance	348,150.00	(xxx)	348,150.00	236,705.00	111,445.00	68%	68%
Grants and subsidies paid	xxx	-	xxx	xxx	-	xxx%	xxx%
Total Expenditure	1,152,500.00	(xxx)	1,152,500.00	826,704.00	325,796.00	72%	
Surplus For the Period	xxx	xxx	xxx	28,296.00	28,296.00		

(Budget notes)

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

XVII. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

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

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 2022.

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

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • 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><i>(State the impact of the standard to the Entity if relevant)</i></p>

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Annual Report and Financial Statements for the year ended 30th June 2022

Standard	Effective date and impact:
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>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.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>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.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i>

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Annual Report and Financial Statements for the year ended 30th June 2022

Standard	Effective date and impact:
	<p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p><i>State the impact of the standard to the Entity if relevant</i></p>
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p>

iii. Early adoption of standards

(The entity) did not early-adopt any new or amended standards in year 2022.

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. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

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

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

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

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

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule xxx of the xxx 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)

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 xxx years.

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

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

e) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

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

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

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

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

g) Intangible assets

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

h) Research and development costs

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

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

j) Inventories

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

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

k) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) 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*).

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

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

o) Foreign currency transactions

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

p) Borrowing costs

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

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

r) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized 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, 2022.

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. Additional disclosure of these estimates of provisions is included in Note xxx.

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

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Unconditional Grants		
Capitation Grants	xxx	xxx
Operational Grant	xxx	xxx
Other Grants	xxx	xxx
	xxx	xxx
Conditional Grants		
Library Grant	xxx	xxx
Hostels Grant	xxx	xxx
Administration Block Grant	xxx	xxx
Laboratory Grant	xxx	xxx
Learning Facilities Grant	xxx	xxx
Other Organizational Grants	xxx	xxx
Total Government Grants and Subsidies	xxx	xxx

(a) Transfers from other Government entities (Categorized)

Name of the Entity sending the Grant	Amount recognized to Statement of Commitments in income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund Kshs	Total grant income during the year Kshs	2020-2021 Kshs
xx State Department	xx	xx	xx	xx	xx
XX Ministry	xx	xx	xx	xx	xx
Total	xx	xx	xx	xx	xx

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry. The details of the reconciliation have been included under appendix xxx)

Notes to the Financial Statements (Continued)

7. Grants from Donors and Development Partners

Description	2021-2022	2020-2021
	KSh	KSh
JICA- Research Grant	xxx	xxx
World Bank Grants	xxx	xxx
In-Kind Donations	xxx	xxx
Other Grants	xxx	xxx
Total Grants from Development Partners	xxx	xxx

Reconciliations of grants from donors and development partners

Description	2021-2022	2020-2021
	KSh	KSh
Balance unspent at beginning of year	xxx	xxx
Current year receipts	xxx	xxx
Conditions Met - Transferred to Revenue	xxx	xxx
Conditions Yet To Be Met - Remain Liabilities	xxx	xxx

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Description	2021-2022	2020-2021
	KSh	KSh
	xxx	xxx
Transfer from Kisumu County Government	855,000.00	xxx
Transfer from XX University	xxx	xxx
Transfer from XX Institute	xxx	xxx
Total Transfers	xxx	xxx

9. Public Contributions and Donations

Description	2021-2022	2020-2021
	KSh	KSh
Public Donations	xxx	xxx
Donations from Local Leadership	xxx	xxx
Donations from Religious Institutions	xxx	xxx
Donations from Alumni	xxx	xxx
Other Donations	xxx	xxx
Total Donations and Contributions	xxx	xxx

(Provide brief explanation for this revenue)

Notes to the Financial Statements (Continued)

10. Rendering of Services

	2021-2022	2020-2021
	Kshs	Kshs
Tuition Fees	xxx	xxx
Activity Fees	xxx	xxx
Industrial Attachment Fees	xxx	xxx
Examination Fees	xxx	xxx
Library Fees	xxx	xxx
Facilities And Materials	xxx	xxx
Registration Fees	xxx	xxx
Others (<i>Specify</i>)	xxx	xxx
Total Revenue from The Rendering Of Services	xxx	xxx

(Provide brief explanation for this revenue)

11. Sale of Goods

	2021-2022	2020-2021
	Kshs	Kshs
Sale of Books	xxx	xxx
Sale of Publications	xxx	xxx
Sale of Farm Produce	xxx	xxx
Cafeteria sales	xxx	xxx
Other	xxx	xxx
Total Revenue from Sale of Goods	xxx	xxx

(Provide brief explanation for this revenue)

12. Rental revenue from facilities and equipment

	2021-2022	2020-2021
	Kshs	Kshs
Hire of Facilities and Equipment	xxx	xxx
Contingent Rental	xxx	xxx
Operating Lease Revenue	xxx	xxx
Total	xxx	xxx

(Provide brief explanation for this revenue)

Notes to the Financial Statements (Continued)

13. Finance Income

Cash investments and fixed deposits	xxx	xxx
Interest income from treasury bills	xxx	xxx
Interest income from treasury bonds	xxx	xxx
Interest from outstanding debtors	xxx	xxx
Total finance income	xxx	xxx

(Provide brief explanation for this revenue)

14. Other Income

Description	2021-2022	2020-2021
	US\$	US\$
Insurance recoveries	xxx	xxx
Consultancy fees	xxx	xxx
Income from sale of tender	xxx	xxx
Services concession income	xxx	xxx
Reimbursements and refunds	xxx	xxx
Graduation fees	xxx	xxx
Miscellaneous (<i>specify</i>)	xxx	xxx
Total other income	xxx	xxx

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

Notes To The Financial Statements (Continued)

15. Use Of Goods And Services

Teaching and learning materials	99,000.00	xxx
Industrial attachment costs	xxx	xxx
EWC & bank charges	9,529.00	xxx
Water	xxx	xxx
Text books/Stationeries	87,670.00	xxx
L.T&T.	106,800.00	xxx
Co-Curricular activities	15,000.00	xxx
Administration	54,000.00	xxx
Examination fees	xxx	xxx
Audit fees	xxx	xxx
Catering, conferences, and delegations	xxx	xxx
Travelling and accommodation	xxx	xxx
Fuel and oil	xxx	xxx
Insurance	xxx	xxx
Legal expenses	xxx	xxx
Licenses and permits	xxx	xxx
Postage	xxx	xxx
Printing and stationery	xxx	xxx
Hire charges	xxx	xxx
Rent expenses	xxx	xxx
Skills development levies	xxx	xxx
Telephone expenses	xxx	xxx
Internet expenses	xxx	xxx
Training expenses	xxx	xxx
Other (<i>specify</i>)	xxx	xxx
Total good and services	371,999.00	xxx

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Notes to the Financial Statements (Continued)

16. Employee Costs

	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	218,000.00	xxx
Employee related costs - contributions to pensions and medical aids	xxx	xxx
Travel, motor car, accommodation, subsistence and other allowances	xxx	xxx
Housing benefits and allowances	xxx	xxx
Overtime payments	xxx	xxx
Performance and other bonuses	xxx	xxx
Social contributions	xxx	xxx
Employee Costs	218,000.00	xxx

17. Board/Council Expenses

	2021-2022	2020-2021
	Kshs	Kshs
Chairman's Honoraria	xxx	xxx
Directors Emoluments	xxx	xxx
Other Allowances	xxx	xxx
Other Board/Council Expenses	xxx	xxx
Total	xxx	xxx

18. Depreciation and Amortization expense

	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	xxx	xxx
Intangible assets	xxx	xxx
Investment property carried at cost	xxx	xxx
Total depreciation and amortization	xxx	xxx

19. Repairs and Maintenance

	2021-2022	2020-2021
	Kshs	Kshs
General repairs and Maintenance	236,705.00	xxx
Investment property – earning rentals	xxx	xxx
Equipment and machinery	xxx	xxx
Vehicles	xxx	xxx
Furniture and fittings	xxx	xxx
Computers and accessories	xxx	xxx
Total Repairs and Maintenance	236,705.00	xxx

Notes to the Financial Statements (Continued)

20. Contracted Services

	2021-2022	2020-2021
	KSh	KSh
Actuarial valuations	xxx	xxx
Investment valuations	xxx	xxx
Property valuations	xxx	xxx
Total contracted services	xxx	xxx

21. Grants and Subsidies

Description	2021-2022	2020-2021
	KSh	KSh
Community Development	xxx	xxx
Education Initiatives and Programs	xxx	xxx
Social Development	xxx	xxx
Community Trust	xxx	xxx
Sporting Bodies	xxx	xxx
Total Grants and Subsidies	xxx	xxx

22. Finance Costs

Description	2021-2022	2020-2021
	KSh	KSh
Borrowings (Amortized Cost)*	xxx	xxx
Finance Leases (Amortized Cost)	xxx	xxx
Unwinding of Discount	xxx	xxx
Interest on Bank Overdrafts	xxx	xxx
Interest on Loans from Commercial Banks	xxx	xxx
Total Finance Costs	xxx	xxx

(*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

23. Gain On Sale of Assets

Description	2021-2022	2020-2021
	KSh	KSh
Property, Plant and Equipment	xxx	xxx
Intangible Assets	xxx	xxx
Other Assets not capitalised	xxx	xxx
Total Gain On Sale of Assets	xxx	xxx

Notes to the Financial Statements (Continued)

24. Unrealized Gain on Fair Value Investments

	2021-2022	2020-2021
Investments at Fair Value	xxx	xxx
Total Gain	xxx	xxx

25. Impairment Loss

	2021-2022	2020-2021
Property, Plant and Equipment	xxx	xxx
Intangible Assets	xxx	xxx
Total Impairment Loss	xxx	xxx

26. Cash and Cash Equivalents

	2021-2022	2020-2021
Current Account	28,296.00	xxx
On - Call Deposits	xxx	xxx
Fixed Deposits Account	xxx	xxx
Staff Car Loan/ Mortgage	xxx	xxx
Others (Specify)	xxx	xxx
Total Cash and Cash Equivalent	28,296.00	xxx

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

Notes To The Financial Statements (Continued)

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

a) Current Account			
Kenya Commercial Bank		28,296.00	xxx
Equity Bank, etc.		xxx	xxx
Sub- Total		xxx	xxx
b) On - Call Deposits			
Kenya Commercial Bank		xxx	xxx
Equity Bank – etc.		xxx	xxx
Sub- Total		28,296.00	xxx
c) Fixed Deposits Account			
Kenya Commercial Bank		xxx	xxx
Bank B		xxx	xxx
Sub- Total		xxx	xxx
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		xxx	xxx
Bank B		xxx	xxx
Sub- Total		xxx	xxx
e) Others(Specify)			
Cash in Transit		xxx	xxx
Cash in Hand		xxx	xxx
Mobile Money account		xxx	xxx
Sub- Total		xxx	xxx
Grand Total		28,296.00	xxx

Notes to the Financial Statements (Continued)

27. Receivables from Exchange transactions

27(a) Current Receivables from Exchange transactions

	2021-2022	2020-2021
	KShs	KShs
Current Receivables		
Student Debtors	xxx	xxx
Rent Debtors	xxx	xxx
Consultancy Debtors	xxx	xxx
Other Exchange Debtors	xxx	xxx
Less: Impairment Allowance	(xxx)	(xxx)
Total Current Receivables	xxx	xxx

27(b) Long- term Receivables from Exchange transactions

	2021-2022	2020-2021
	KShs	KShs
Non-Current Receivables		
Refundable Deposits	xxx	xxx
Advance Payments	xxx	xxx
Public Organizations	xxx	xxx
Less: Impairment Allowance	(xxx)	(xxx)
Total	xxx	xxx
Current Portion Transferred To Current Receivables	(xxx)	(xxx)
Total Non-Current Receivables	xxx	xxx
Total Receivables	xxx	xxx

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

	2021-2022	2020-2021
	KShs	KShs
At the beginning of the year	xxx	xxx
Provisions during the year	xxx	xxx
Recovered during the year	(xxx)	(xxx)
Write offs during the year	(xxx)	(xxx)
At the end of the year	xxx	xxx

Notes to the Financial Statements (Continued)

28. Receivables from Non-Exchange transactions

	2021-2022	2020-2021
Current Receivables		
Capitation Grants*	xxx	xxx
Transfers from Other Govt. entities	xxx	xxx
Undisbursed Donor Funds	xxx	xxx
Other Debtors (Non-Exchange Transactions)	xxx	xxx
Less: Impairment Allowance	(xxx)	(xxx)
Total Current Receivables	xxx	xxx

(*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

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

Description	2021-2022	2020-2021
At the beginning of the year	xxx	xxx
Additional provisions during the year	xxx	xxx
Recovered during the year	(xxx)	(xxx)
Written off during the year	(xxx)	(xxx)
At the end of the year	xxx	xxx

29. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores	xxx	xxx
Maintenance stores	xxx	xxx
Health Unit stores	xxx	xxx
Electrical stores	xxx	xxx
Cleaning Materials stores	xxx	xxx
Catering stores	xxx	xxx
Total Inventories at lower of Cost and Net Realizable Value	xxx	xxx

Notes to the Financial Statements (Continued)

30. Investments

a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	xxx	xxx
CBK	xxx	xxx
Sub- Total	xxx	xxx
b) Investment with Financial Institutions/ Banks		
Bank X	xxx	xxx
Bank Y	xxx	xxx
Sub- Total	xxx	xxx
c) Equity Investments (Specify)		
Equity/ Shares in Company Xxx	xxx	xxx
Sub- Total	xxx	xxx
Grand Total	xxx	xxx

d) Shareholding in other entities

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

Name of Investment Entity	Shareholding			Nominal Value of Shares	Fair Value of Shares	
	Direct Shareholdings	Indirect Shareholdings	Effective Shareholdings		Current Year	Prior Year
	%	%	%	Kshs	Kshs	Kshs
Entity A	xxx	xxx	xxx	xxx	xxx	xxx
Entity B	xxx	xxx	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx	xxx	xxx

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Transfer/Adjustment	xxx	(xxx)	(xxx)	xxx	(xxx)	-	(xxx)	xxx
At 30 th June Xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Net Book Values								
At 30 th June xx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
At 30 th June 2022	850,000.00	xxx	35,000.00	-	5,800,000.00	36,000,00	xxx	6,721,000.00

[Include Brief Description Of WIP As A Footer]

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements on xxx.

31 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated	
		Depreciation	NBV
	Kshs	Kshs	Kshs
Land	850,000.00	xxx	xxx
Buildings	5,800,000.00	xxx	xxx
Plant And Machinery	36,000.00	xxx	xxx
Motor Vehicles including Motorcycles	xxx	xxx	xxx
Computers and Related Equipment	xxx	xxx	xxx
Office Equipment, Furniture, And Fittings	35,000.00	xxx	xxx
Total	6,721,000.00	xxx	xxx

32. Intangible Assets

Description	2021-2022		2020-2021	
	Kshs		Kshs	
Cost				
At beginning of the year		xxx		xxx
Additions		xxx		xxx
At end of the year		xxx		xxx
Additions-internal development		xxx		xxx
At end of the year		xxx		xxx
Amortization and impairment				
At beginning of the year		xxx		xxx
Amortization		xxx		xxx
At end of the year		xxx		xxx
Impairment loss		xxx		xxx
At end of the year		xxx		xxx
NBV		xxx		xxx

Notes to the Financial Statements (Continued)

33. Investment Property

	2021-2022	2020-2021
At beginning of the year	xxx	xxx
Additions	xxx	xxx
Disposal during the year	(xxx)	(xxx)
Depreciation	(xxx)	(xxx)
Impairment	(xxx)	(xxx)
At end of the year	xxx	xxx

(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).

34. Trade and Other Payables from Exchange transactions

	2021-2022	2020-2021
Trade payables	xxx	xxx
Fees paid in advance	xxx	xxx
Salary deductions	xxx	xxx
Third-Party Payments	xxx	xxx
Other Payables	xxx	xxx
Total Trade and Other Payables	xxx	xxx

35. Refundable Deposits from Customers/Students

	2021-2022	2020-2021
Consumer deposits	xxx	xxx
Caution money	xxx	xxx
Other refundable deposits	xxx	xxx
Total Deposits	xxx	xxx

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Notes to the Financial Statements (Continued)

36. Current Provisions

Balance at The Beginning Of The Year	xxx	xxx	xxx	xx	xxx
Additional Provisions	xxx	xxx	xxx	xx	xxx
Provision Utilised	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Change Due To Discount And Time Value For Money	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Transfers From Non -Current Provisions	xxx	xxx	xxx	xx	xxx
Total Provisions	xxx	xxx	xxx	xx	xxx

37. Finance Lease Obligation

At the start of the year	xxx	xxx
Discount interest on Lease Liability	xxx	xxx
Paid during the year	(xxx)	(xxx)
At end of the year	xxx	xxx

Maturity Analysis

Period	Amount
	Kshs
Year 1	xxx
Year 2	xxx
Year 3	xxx
Year 4	xxx
Year 5 and Onwards	xxx
Less: Unearned Interest	(xxx)
	xxx

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Notes to the Financial Statements (Continued)

Analysed as:

	Kshs
Current	xxx
Non- Current	xxx
Total	xxx

38. Deferred Income

	2021-2022	2020-2021
National Government	xxx	xxx
International Funding Bodies	xxx	xxx
Public Contributions and Donations	xxx	xxx
Total Deferred Income	xxx	xxx

The deferred income movement is as follows:

Description	National Government	International Funding Bodies	Public Contributions and Donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	xxx	xxx	xxx	xxx
Additions during the year	xxx	xxx	xxx	xxx
Transfers to capital fund	(xxx)	(xxx)	(xxx)	(xxx)
Transfers to income statement	(xxx)	(xxx)	(xxx)	(xxx)
Other transfers	(xxx)	(xxx)	(xxx)	(xxx)
Balance carried forward	xxx	xxx	xxx	xxx

Analysed as:

	Kshs
Current	xxx
Non- Current	xxx
Total	xxx

Notes to the Financial Statements (Continued)

39. Employee Benefit Obligations

	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Non-Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Total Employee Benefits Obligation	xxx	xxx	xxx	xxx	xxx

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:

	20xx-20xx	20xx-20xx
	Kshs	Kshs
Discount Rates	x%	x%
Future Salary Increases	x%	x%
Future Pension Increases	x%	x%
Mortality (Pre- Retirement)	x%	x%
Mortality (Post- Retirement)	x%	x%
Withdrawals	xx	xx
Ill Health	xx	xx
Retirement	xx years	xx years

Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

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

b) Amounts recognised in the Statement of Financial Position

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

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.

Notes To The Financial Statements (Continued)

40. Non-Current Provisions

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
	KShs	KShs	KShs	KShs	KShs
Balance at the beginning of the year	xxx	xxx	xxx	xxx	xxx
Additional Provisions	xxx	xxx	xxx	xxx	xxx
Provision utilised	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Change due to discount and time value for money	xxx	xxx	xxx	xxx	Xxx
Less: Current portion	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Total deferred income	xxx	xxx	xxx	xxx	Xxx

(NB: The current portion deducted in this note should tie to line on current portion transferred from non- current provisions under note 34)

41. Borrowings

	2021-2022	2020-2021
	KShs	KShs
Balance at beginning of the year	xxx	xxx
External borrowings during the year	xxx	xxx
Domestic borrowings during the year	xxx	xxx
Repayments of external borrowings during the year	(xxx)	(xxx)
Repayments of domestic borrowings during the year	(xxx)	(xxx)
Balance at end of the year	xxx	xxx

41 a) Analysis of External and Domestic Borrowings

	2021-2022	2020-2021
	KShs	KShs
External borrowings		
Dollar denominated loan from 'xx organization'	xxx	xxx
Sterling pound denominated loan from 'yyy organization'	xxx	xxx
Euro denominated loan from zzz organization'	xxx	xxx
Domestic borrowings		
Kenya shilling loan	xxx	xxx
Total balance at end of the year	xxx	xxx

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Notes to the Financial Statements (Continued)

41 b) Breakdown of Long and Short-Term Borrowings

Short Term Borrowings(Current Portion)	xxx	xxx
Long Term Borrowings	xxx	xxx
Total	xxx	xxx

(NB: the total of this statement should tie to note 42 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

42. Service Concession Arrangements

Fair value of service concession assets recognized under PPE	xxx	xxx
Accumulated depreciation to date	(xxx)	xxx
Net carrying amount	<u>xxx</u>	<u>xxx</u>
Service concession liability at beginning of the year	xxx	xxx
Service concession revenue recognized	(xxx)	(xxx)
Service concession liability at end of the year	<u>xxx</u>	<u>xxx</u>

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Notes to the Financial Statements (Continued)

43. Cash generated from operations

Adjusted for:		
Depreciation	xxx	xxx
Non-Cash grants received	(xxx)	(xxx)
Contributed assets	(xxx)	(xxx)
Impairment	xxx	xxx
Gains and Losses on Disposal of Assets	(xxx)	(xxx)
Contribution to provisions	xxx	xxx
Contribution to impairment allowance	xxx	xxx
Finance Income	(xxx)	(xxx)
Finance Cost	xxx	xxx
Working Capital Adjustments		
Increase in Inventory	(xxx)	(xxx)
Increase in Receivables	(xxx)	(xxx)
Increase in Deferred Income	xxx	xxx
Increase in Payables	xxx	xxx
Increase in Payments received in advance	xxx	xxx
Net Cash Flow from Operating Activities	xxx	xxx

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

44. 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

Notes to the Financial Statements (Continued)

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:

	Carrying amount Ksh.	Fully performing Ksh.	Past due Ksh.	Impaired Ksh.
Receivables from exchange transactions	xxx	xxx	xxx	xxx
Receivables from non-exchange transactions	xxx	xxx	xxx	xxx
Bank balances	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx
At 30 June 2022				
Receivables from exchange transactions	xxx	xxx	xxx	xxx
Receivables from non-exchange transactions	xxx	xxx	xxx	xxx
Bank balances	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

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

44. Financial Risk Management (Continued)

(i) Credit risk (continued)

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

The 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.

Notes to the Financial Statements (Continued)

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.

At 30 June 2021				
Trade Payables	xxx	xxx	xxx	xxx
Current Portion Of Borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Deferred Income	xxx	xxx	xxx	xxx
Employee Benefit Obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx
At 30 June 2022				
Trade Payables	xxx	xxx	xxx	xxx
Current Portion Of Borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Deferred Income	xxx	xxx	xxx	xxx
Employee Benefit Obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

44. 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.

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Notes to the Financial Statements (Continued)

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 Ksh	Total Kshs
At 30 June 2022			
Financial Assets (Investments, Cash, Debtors)	xxx	xxx	xxx
Liabilities			
Trade and Other Payables	xxx	xxx	xxx
Borrowings	xxx	xxx	xxx
Net Foreign Currency Asset/(Liability)	xxx	xxx	xxx

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.

44. Financial Risk Management (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

Description	In Kshs	Other currencies Ksh	Total Kshs
At 30th June 2022			
Financial Assets (Investments, Cash, Debtors)	xxx	xxx	xxx
Liabilities			
Trade and Other Payables	xxx	xxx	xxx
Borrowings	xxx	xxx	xxx
Net Foreign Currency Asset/(Liability)	xxx	xxx	xxx

a) 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.

Notes to the Financial Statements (Continued)

20xx			
Euro	10%	xxx	xxx
Usd	10%	xxx	xxx
20xx			
Euro	10%	xxx	xxx
Usd	10%	xxx	xxx

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.

44 Financial Risk Management (Continued)

(iii) Market risk (Continued)

b) Interest rate risk(continued)

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 (2022: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2022 – Kshs xxx)

Notes To The Financial Statements (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:

Revaluation Reserve	xxx	xxx
Retained Earnings	xxx	xxx
Capital Reserve	xxx	xxx
Total Funds	xxx	xxx
Total Borrowings	xxx	xxx
Less: Cash and Bank Balances	(xxx)	(xxx)
Net Debt/(Excess Cash and Cash Equivalents)	xxx	xxx
Gearing	xx%	xx%

45. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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Notes to the Financial Statements (Continued)

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

Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	xxx	xxx
Rent income from govt. agencies	xxx	xxx
Water sales to govt. agencies	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
Total	xxx	xxx
B) Purchases from related parties		
Purchases of electricity from kplc	xxx	xxx
Purchase of water from govt service providers	xxx	xxx
Rent expenses paid to govt agencies	xxx	xxx
Training and conference fees paid to govt. agencies	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
Total	xxx	xxx
b) Grants /Transfers from the Government		
Grants from National Govt	xxx	xxx
Grants from County Government	xxx	xxx
Donations in Kind	xxx	xxx
Total	xxx	xxx
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	xxx	xxx
Payments for Goods and Services for XX	xxx	xxx
Total		
d) Key Management Compensation		
Directors' emoluments	xxx	xxx
Compensation to Key Management	xxx	xxx
Total	xxx	xxx

46. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

Notes to the Financial Statements (Continued)

47. Contingent Assets and Contingent Liabilities

Contingent Assets

	2022	2021
Contingent Assets		
Insurance Reimbursements	xxx	xxx
Assets arising from determination of Court Cases	xxx	xxx
Reimbursable Indemnities and Guarantees	xxx	xxx
Others (<i>Specify</i>)	xxx	xxx
Total	xxx	xxx

Contingent Liabilities

	2022	2021
Contingent Liabilities	xxx	xxx
Court Case Xxx against (<i>The Entity</i>)	xxx	xxx
Bank guarantees in favour of subsidiary	xxx	xxx
Contingent liabilities arising from Contracts including PPPs	xxx	xxx
Others (<i>Specify</i>)	xxx	xxx
Total	xxx	xxx

(Give details)

48. Capital Commitments

	2022	2021
Authorised for	xxx	xxx
Authorised and Contracted for	xxx	xxx
Total	xxx	xxx

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)

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Notes to the Financial Statements (Continued)

49. Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

	2021-2022	2020-2021
	Kshs	Kshs
Accelerated Capital Allowances	xxx	xxx
Unrealised Exchange Gains/(Losses)	xxx	xxx
Revaluation Surplus	xxx	xxx
Tax Losses carried forward	(xxx)	(xxx)
Provisions for Liabilities and Charges	(xxx)	(xxx)
Net Deferred Tax Liability/(Asset)	xxx	xxx
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	xxx	xxx
Credit to revaluation reserve	(xxx)	(xxx)
Under provision in prior year	xxx	xxx
Income statement charge/(credit)	xxx	xxx
Balance at end of the year	xxx	xxx

[In ordinary circumstances public sector entities under IPSAS are not expected to pay taxes. However, in specific cases where this is applicable an organisation is supposed to seek guidance on accounting for income taxes from IAS 12)

50. Events After The Reporting Period

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

51. 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.

52. Currency

The financial statements are presented in Kenya Shillings (Kshs).

XVIII. 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.

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
Accounting Officer
(Enter title of Head of entity)
Date

Appendix II: Projects Implemented by (The Entity)

Projects

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

1											
2											

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)

1											
2											
3											

Appendix III- Inter-Entity Confirmation Letter

[Insert your Letterhead]

[Insert name of beneficiary Entity]

[Insert Address]

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 2022 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.

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by [Kianja VTC] (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
1	-	-	-	-	-	390,000.00	390,000.00
2	07/01/2022	232,500.00	-	-	232,500.00	-	232,500.00
3	28/03/2022	232,500.00	-	-	232,500.00	-	232,500.00
Total					465,000.00	390,000.00	855,000.00

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

Head of Accountants department of beneficiary Entity:

Name *Osmary Odiny Khas* Sign *[Signature]* Date *21/6/2023*

Kianja Vocational Training College
P.O. Box 2442 - 40100,
Kisumu
Date.....

Appendix IV: Reporting of Climate Relevant Expenditures

Name of the Organization
Telephone Number
Email Address
Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

[Redacted]											

Appendix V: Disaster Expenditure Reporting Template

Period to which this report refers (FY)	Year						Quarter
Name of Reporting Officer							
Contact details of the reporting officer:	Email						Telephone
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	

KIANJA VOCATIONAL TRAINING CENTRE

TRIAL BALANCE

COUNTY GRANT ACCOUNT

AS AT 30TH JUNE 2022

DATE	PARTICULARS	L/F	APP EST	DR	CR	COMMIT
01-07-20	OPENING BALANCE				390,000.00	
	CASH	C/B	-	-	-	-
	BANK	C/B	-	-	-	-
	GRANT 1		-	-	232,500.00	
	GRANT 2		-	-	232,500.00	
	REPAIRS, MAINTENANCE & IMPROVEMENT		-	236,705.00	-	163,250.00
	TEXT BKS/STATIONERIES		-	87,670.00	-	-
	TOOLS/EQUIP/IM/EM		-	99,000.00	-	-
	EMC		-	9,529.00	-	-
	SKILLS, COMP & EXHIBITIONS		-	-	-	-
	LT & T.		-	106,800.00	-	-
	CO-CURRICULAR ACTIVITIES		-	15,000.00	-	-
	P.F		-	218,000.00	-	-
	ADMINISTRATIVE		-	54,000.00	-	-
30-06-22	CLOSING BALANCE		-	-	-	-
	CASH		-	28,296.00	-	-
	BANK		-	-	-	-
	TOTAL			855,000.00	855,000.00	163,250.00

PREPARED BY: *C. Mwanza*

ACCOUNTS CLERK

CONFIRMED BY:

Kianja Vocational Training Centre
 P.O. Box 2442 - 40100,
 Mwanza
 C/MANAGER

[Signature]