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OF

THE AUDITOR-GENERAL

ON

**LAIKIPIA NORTH TECHNICAL AND
VOCATIONAL COLLEGE**

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

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30054 - 00100, NAIROBI
REGISTRY

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LAIKIPIA NORTH TECHNICAL & VOCATIONAL COLLEGE

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)

Laikipia North Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

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1. Acronyms & Glossary of Terms

BOG	Board Of Governors
COVID – 19	Corona Virus
CSR	Corporate Social Responsibility
CU	Christian Education
ECL	Expected Credit Level
FY	Financial Year
HELB	Higher Education Loan Board
HoD	Head Of Department
ICT	Information Communication Technology
ICPAK	Institute Of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
KNEC	Kenya National Examination Council
KRA	Kenya Revenue Authority
LN TVC	Laikipia North Technical & Vocational College
NBV	Net Book Value
NGAAF	National Government Affirmative Action Fund
NGCDF	National Government Constituency Development Fund
NITA	National Industrial Training Authority
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TVC	Technical Vocational College
TVET	Technical Vocational Education Training
Moe	Ministry Of Education
SAGA	Semi Automatous Government Agencies
Fiduciary Management	Key management personnel who have financial responsibility in the college

2. Key College Information and Management

(a) Background information

The college was established under the TVET Act on 2014 and is domiciled in Kenya. The institute is under the Ministry of Education.

College is a public institution offering various TVET & CBET accredited academic programmes. It was started by the government through collaboration with the local community and leaders who set aside land in 2014 paving way for the construction of the college. The construction of the college was mentored by Mathenge T T I who were mandated by the government to oversee the construction and manage the funds channelled towards the construction. The construction work ended in late 2017 and it embarked on plans for opening in September, 2018. The College is designated as national centre of excellence in Mechanical Engineering Production, and this end received state-of-the-art, cutting-edge-technology Mechanical Engineering equipment and computers valued at Kshs. 100 million in June, 2018.

The college has received a lot of support from the local leadership and other stakeholders within its vicinity who have seen programme such Ujuzi Manyattani build capacities of the local youth who are mainly pastoralist.

(b) Principal Activities

Vision Statement

- A centre of excellence in Technical and Vocational Education and Training for Industrial and Technological development.

Mission Statement

- To train competent Human Resource to respond to community needs through innovation and creativity.

Core Values

- Integrity
- Responsiveness
- Professionalism
- Creativity and innovation
- Team work

(c) Key Management

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

- Board of Governor
- Accounting officer/ Principal
- Deputy principal
- Head of Department

(d) Fiduciary Management

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

SN.	Designation	Name
a)	Principal	Maina Njane
b)	Deputy Principal	Stephen Karanja
c)	Registrar (S)	James Bani
d)	Dean Of Students	Joseph Mwaura
e)	Pc Coordinator	Julius Omondi
f)	Sports Hod	Anthony Mathenge
g)	Hod Agriculture	Vincent Koech
h)	Dean	Joseph Mwaura
i)	Hod Business	Simon Ekai
j)	Hod ICT	Esther Njora
k)	Head Of Finance	Darwin Rionomuto

(e) Fiduciary Oversight Arrangements

Risk and audit committee activities

- To evaluate adequacy of management procedure with regard to issues relating to risk management, control and governance;
- To review external audit findings and recommendations and propose corrective and preventive actions where necessary;
- To review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics;
- To initiate special audits and or investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer; and exercise such other powers as the Board may from time-to-time delegate to the Committee

Finance and general operations committee activities

- To receive, consider and submit the proposed budget estimates from the various college department for approval by the Board;
- To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
- To report to the Board all matters related to finance, human resource and development;

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- To ensure that accurate records are kept on the establishments in the College;
- To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the College;
- To report to the Board on the progress of physical infrastructure development of the College;
- To prepare College Development plans for an approved Year and submit to the Board; and
- To exercise such other powers as the Board may from time-to-time delegate to the Committee.

(f) College Headquarters

P.O. Box 50 – 20231 Rumuruti
Posta shopping center
Along Rumuruti – Marilal Road (46 kms from Rumuruti Town)
Nairobi, Kenya

(g) College Contacts

Telephone: (254) 0733837166
E-mail: laikipianorth@gmail.com

(h) College Bankers

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

(i) Independent Auditors





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

(j) Principal Legal Adviser





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

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3. The Board of Governors

No	Member/ Director	Details
1	 Name: Mr Martin Evans	<p>Date of birth: 4/4/1955</p> <p>Profession: Agronomist & rancher</p> <p>academic qualifications Bachelor of science in agronomy</p> <p>work experience Martin is rancher and CEO of Olmaisor ranch within Laikipia County. With extensive experience in Agriculture in crop and animal husbandry, he is the current Chair of Laikipia Farmers Association and is instrumental in conservation and wildlife management. He is also involved in community mobilization towards improved agricultural practices</p>
2	 Name: Ibrahim Rono	<p>Date of birth: 14/11/1992</p> <p>Profession: Consultant in project management</p> <p>Qualifications Bachelors of education in technology</p> <p>work experience has immense experience as a Private consultant in project and construction management for many years He is currently in charge of project management in the office of Laikipia North Women Representative office</p>
3	 Name: Anthony kimani	<p>Date of birth: 23 May 1974</p> <p>Profession: Project management consultant based in Nakuru</p> <p>Qualifications Master in project planning</p> <p>work experience has immense experience as a Private consultant in project and construction management for many years He is currently working with IEBC</p>
4	 Name: Thomas Silvester	<p>Date of birth: 24 November 1967</p> <p>Profession: Agronomist & rancher</p> <p>Qualifications Bachelor of science in agriculture</p> <p>work experience Thomas is an entrepreneur, rancher and tourism operator working in the luxury mobile safari industry and on large scale tourism, ranching and conservation projects in Northern Kenya and International markets</p>







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	 <p>Name: Mercy Maina</p>	<p>Date of birth: 15 Feb 1990 Profession: business information technology consultant Qualifications Bachelor of business information technology work experience Mercy works as a business and information Technology professional involved with data analysis, risk assessment and business analysis trends for transforming company practices into cost-effective solutions. She has been involved in automation of processes and enhanced business and technology alignment while proposing customized solutions for individual organizations. She also contributes to scientific journal.</p>
6	 <p>Name: Lucia Epur Iebasha</p>	<p>Date of birth: 29 June 1995 Profession: Agronomist & pastoralist activist Qualifications Bachelor of science in agriculture work experience Lucia is the CEO and co-founder of the save the pastoralist initiative. She is involved in various programs and initiatives designed to uplift and empower the youth and marginalised communities</p>
7	 <p>Name: John Ekale Aruma</p>	<p>Date of birth: 1 Feb, 1980 Profession: Lecturer at Moi University Qualifications Bachelor of science in electrical & bachelor of science mathematic work experience lecturer at Moi university member of Laikipia county service board member of Turkana County service board.</p>
8	 <p>Name: Maina Njane</p>	<p>Date of birth: Professional: Trainer /principal Laikipia North TVC qualification: BSC Electrical / Electronics work experience Trainer at Kitale National Poly Principal laikipia north</p>

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4. Key Management Team

No	Member/ Director	Details
1	 Name: Maina Njane	Responsibility: Principal Professional qualification: Trainer Academic qualification: BSC Electrical / Electronics
2	 Name: Stephen Karanja	Responsibility: Deputy Principal Professional qualification: Trainer Academic qualification: BSC Building & Civil Eng
3	 Name: James Bani	Responsibility: Registrar Professional qualification: Trainer Academic qualification: BSC Information Communication Technology
4	 Name: Joseph Mwaura	Responsibility: Dean of Students Professional qualification: Trainer Academic qualification: BSC Agricultural Engineering
5	 Name: Julius Omondi	Responsibility: Pc Coordinator Professional qualification: Trainer Academic qualification: MSC Agricultural Eng
6	 Name: Anthony Mathenge	Responsibility: Hod Sports Professional qualification: Trainer Academic qualification: BSC Agriculture Value Addition

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7	 Name: Vincent Koech	Responsibility: Hod Agriculture Professional qualification: Trainer Academic qualification: BSC Agriculture Value Addition
8	 Name: Simon Ekai	Responsibility: Hod Business Professional qualification: Trainer Academic qualification: BSC Community Development
9	 Name: Esther Njora	Responsibility: Hod ICT Academic qualification: BSC Information Communication Technology
10	 Name: Darwin Rionomuto	Responsibility: Head of Finance Academic qualification: BBM Finance and Banking

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5. Chairman's Statement

I take this opportunity to share with you my views on the key initiatives and achievements we have had over the year on economic performance, Education sector, financial performance, operations & risks associated with the college, and lastly our future outlook.

Economic Focus

In order to ensure efficient and effective provision of Technical Vocational Training, we have developed necessary policies and institutional framework to direct the running of the College in line with vision 2030, the Big 4 Agenda and Sustainable Development Goals. In the recent past, the college has experienced moderate growth in student enrolment from 253 students in 2022 to 326 as at the end of June 2022.

We thank the Government of Kenya for providing state-of-the-art training equipment, capitation and employment of trainers by the Public Service Commission that have greatly contributed toward increased student enrolment and improved quality of training thus enabling the institute align her graduates with regional and global trends and innovation.

Successes

During the year, we witnessed a positive growth in student enrolment owing to reduction in fees payable as a result of Government Capitation approach ensuring affordable technical and vocational training to every secondary school graduate on meeting required threshold to join post-secondary school training. The initiative of capitation by the government has so far been successful and the future looks quite bright indeed for the prospect of trainers.

During the year, the college managed to construct temporal building and housekeeping workshops, food & beverages kitchen among other projects.

In the spirit to excel, we endeavour to be a centre of Excellence in scientific, technological, training and innovation so as to produce competent graduates who are capable of integrating the acquired skills in nation building in line with Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA)

- a) Agricultural Transformation and Inclusive Growth
- b) transforming the Micro, Small, and Medium Enterprise (MSMEs) Economy Housing and Settlement
- c) Healthcare
- d) Digital Superhighway and Creative Economy

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To this end, Laikipia North TVC has continuously participated in regional trade fairs & exhibitions whereby trainees have exhibited their patentable innovations in all of the Big 4 Agenda that have won them many trophies. I am pleased to report that Laikipia North Technical & Vocational College (LNTVC) has continued to perform well in returning exemplary examination results of the Kenya National Examinations Council (KNEC).

Challenges faced

The technical training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training outcomes.

During the year, delayed trainees' capitation and scholarship brought about a financial challenge to the college. However, we faced the challenge positively and addressed the issues at instituting austerity measures and adherence on the set budget.

Laikipia North TVC has developed an enterprise risk management policy and framework to ensure that our activities are aligned with our strategic plan objectives. The Board of Governors regularly reviews risks identified - such as competition, information & communications technology and credit and operations; and how the risks involved can be mitigated by various risk owners.

Outlook

I am indeed deeply indebted to the members of the Board of Governors for their unwavering support, commitment and futuristic outlook towards realizing the institute's objectives in line with its strategic plan and core mandate of offering market-driven programme. The College Board is composed of members who have diverse qualifications and experience. I unreservedly assure all our stakeholders that we at Laikipia North TVC shall remain focused, committed and consistent in the delivery of opportunities and accountably availing of resources to both trainers and trainees within the Government framework of accountability, corporate governance and ethical sustainability. Going forward Laikipia North TVC is committed to working closely in collaboration with other like-minded entities, colleges, agencies and any other bi-lateral & multi-lateral agencies involved in technical and vocational training to ensure that our trainees continue to receive Competency Based Training.

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Lastly, I would like to whole-heartedly thank my fellow members of the Board of Governors, Management, team of trainers and non-trainers, Trainees - and all other stake-holders for their co-operation, collaboration, continued support and commitment during this period under review.



Mr Martin Evans

Chairman BoG,

Laikipia North Technical & Vocational College
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6. Report of the Principal

Laikipia North Technical & Vocational College is well placed to providing adequate and relevant training to her graduates that will enable them to contribute towards the attainment of our country's Vision 2030 strategic objectives. In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs in several ways that will ensure their competitiveness in terms of quality and relevance.

With the guidance of the Governing board, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction. Under my leadership and the overall direction of the Institute's board we were able to be in the forefront in ensuring that financial resources were utilized efficiently and effectively. Despite the many challenges brought about by economic constraints, the Institute nevertheless continued to discharge its mandate of training, research and outreach.

HIGHLIGHTS OF FY 2023/2024 PERFORMANCE

The Financial Year 2021/2022 started on a high note with the Government keen to ensure TVET Institutions absorb as many trainees as possible.

In a move to boost student enrolment, the Government emphasized on sustenance of Capitation to the tune of Ksh. 30,000/= per annum for those joining and continuing students in all TVET Institutions. Annual students fee remained capped in all Technical Institutions & National Polytechnics at Ksh. 56,420/= with the Government pledge of Ksh. 30,000/= capitation, while encouraging the needy students to apply for HELB Loans & bursaries to cater for the balance of Ksh. 26,420/=

Other notable observations include:

Students Enrolment;

FY 2021/2022 enrolment was met with a challenge of the new government funding model to TVET trainees, delayed release of the HELB Loan, bursary and stipend. However, the management was able to realign itself with the changing trends and managed close the year with 518 students the number that was below the expected enrolment for the year.

Projects Undertaken

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During the Financial Year under review, The Board managed to construct temporary building and housekeeping workshop, food & beverages kitchen among other projects through saving realised in the internally generated fund. These have seen the college introduce new academic programmes that have boosted the student population ultimately growing the college revenue stream.

Departmental Equipment:

The college is sincerely grateful to the Government for equipping the Mechanical department with the state-of-the-art Training equipment. Through the college internally generated revenue, we have managed to equip Agriculture, hospitality, ICT and business departments with training equipment and materials.

Contribution to the Bottom-Up Economic Transformation Agenda (BETA)

The college continues to equip its students with the relevant competency and skills, as Artisans, Craftsmen and technicians. I have confidence that our students are well equipped with the necessary skills that strategically align them with opportunities within the country, regionally and globally at the same time contributing to the realization of the Kenya Kwanza Government

“Bottom-Up Economic Transformation Agenda (BETA)”

- a) Agricultural Transformation and Inclusive Growth
- b) transforming the Micro, Small, and Medium Enterprise (MSMEs) Economy Housing and Settlement
- c) Healthcare
- d) Digital Superhighway and Creative Economy

Laikipia North Technical & Vocational College being a tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. To do so, however the college requires a lot of support from the Government and other stakeholders in terms of funding, material support and other contributions. We shall continue to appeal for such support for several years to come as the college is still young and lack some basic training facilities & equipment.

On behalf of the College Board and Management, I take this opportunity to thank the Government for its unequivocal support during the year under review.

I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the

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Strategic	Objective	strategy	Key performance indicators	Activities	Achievements
corporate governance / management	improve Institutional corporate governance / management	Develop and implement institutional policies, strategies and programs	Identified policies list of the committees draft policies approved policies	key policies identified working committee appointed to develop the policy draft policies presented to the board for approval	developed finance management manual & policy, scheme of service and career progression board charter asset management policy human resource policy /manual
effective application of ICT	Promote effective application of ICT	Promote the use of ICT institution wide	developed online teaching platform number of programmes	Develop Online teaching platform	started online learning on one way of delivery of accredited academic programme
Financial base of the College	improve the financial base of the College	Establish Income Generating Activities (IGA)	Implement mobile vocational college (Ujuzi Manyattani)	Market the college IGA activities Enhance the implementation of the mobile vocational college	Number of mobile vocational college programme implemented Part time Computer college

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Strategic	Objective	strategy	Key performance indicators	Activities	Achievements
adequate, competent and highly motivated staff	ensure the staff are adequate, competent and highly motivated	Recruit qualified staff	Advertised positions List of the shortlisted candidate Skills gap analysis	Advertise position for BOG staff Liaise with the PSC for meeting gaps in teaching staff	advertisement , short listing and recruitment of the following positions were done
collaborations and linkages	Enhance collaborations and linkages	Strengthen existing collaborations and linkages	MoU List of industries the college is collaborating with list of students attached to those industries	Identify industries to collaborate with Attach students to those industries MoU with the industries	Developed collaboration with companies where our college trainee can be attached and also offered internship
increase the infrastructure	Upgrade and increase the infrastructure	Improve the physical facilities and equipment	Budget for the project Approved BQ Project management committee	prepare budget for the project prepare BQs for project manage the project	fabricated Building and Electrical Engineering workshop/sheds F&B workshop (Kitchen and restaurant physical structure) created more office space by

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Board as well as the cooperation of the Management team, all staff and our trainees that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

I look forward to their continued support in the new financial year and the years ahead.



Mr. Jason Maina Njane

Principal/Secretary of the Board

PRINCIPAL
LAIKIPIA NORTH TECHNICAL
AND VOCATIONAL COLLEGE
P O Box 50 20321
RUMURUTI

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7. Statement of Performance against Predetermined Objectives

Laikipia North Technical & vocational college has 9 strategic pillars and objectives within its Strategic Plan for the FY 2020- 2025. These strategic pillars are as follows:

1. Enhance Access and equity;
2. To diversify training programmes;
3. To improve Institutional corporate governance / management;
4. Promote effective application of ICT;
5. To improve corporate image
6. To improve the financial base of the College;
7. To ensure the staff are adequate, competent and highly motivated;
8. Enhance collaborations and linkages;
9. Upgrade and increase the infrastructure;

Laikipia North Technical & vocational college develops its annual work plan based on the above 9 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2021/2022 period for its 9 strategic pillars, as indicated in the diagram below:

Strategic	Objective	strategy	Key performance indicators	Activities	Achievements
Access and equity	Enhance Access and equity	Introduce short market-driven courses	Identified market driven courses Number of trainees enrolled Amount realized from courses	Market the identified short courses Engage trainer Identify the computers to be used to train the student	Introduced computer packages programme
Training programmes	Diversify training programmes	Introduce new market driven training programmes	Identified market driven programme Number of trainees enrolled in catering & accommodation workshop fabricated	Market the identified programme Engage trainer fabricate the workshop	Catering & accommodation course introduced

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8. Corporate Governance Statement

Laikipia North Technical & vocational college is governed by the board that consist of 8 members appointed by the cabinet secretary, ministry of education as follows

- a) Chairman and five other members appointed through an open process
- b) One member representing permanent secretary on matters relating to education
- c) One member representing cabinet secretary on matters relating to finance
- d) The principal who is an ex- official member of the board.

The appointment of the chairman and other members of the board is done by the cabinet secretary, ministry of education through a gazette notice to serve for period of three (3) years renewable once. For the purpose of succession planning the Cabinet Secretary s staggers the appointment of some members to maintain a proportion of new membership that ensures continuity in the services of the Board

Names of the Laikipia North TVC board members

No	Name	Designation
1.	Mr Martin Evans	Chairman
2.	Ibrahim Rono	Member
3.	Anthony kimani	Member
4.	Maina Njane	Principal- Secretary
5.	Charles Nyota	CD-TVET
6.	Thomas Silvester	Member
7.	Mercy Maina	Member
8.	Lucia Epur Iebasha	Member
9.	John Ekale Aruma	Member

Roles and functions of the LNTVC board

The role and functions of the board are outlined in Board Charter and Mwongozo Code of governance which state that;

- a) The Board shall ensure that a proper management structure is in place and that the management maintains the corporate integrity, reputation and responsibility of the Institute.
- b) The Board shall monitor and evaluate the implementation of strategies, policies, and management plans of the Institute.
- c) The Board shall constantly review the viability and financial sustainability of the Institute at least once in every year.
- d) The Board shall ensure that the Institute complies with all the relevant laws, regulations, governance practices and accounting and auditing standards.

Induction and capacity building for the board members

New members, once are appointed are inducted and issued with relevant documents to familiarise themselves with their roles as outlined in the law. Subsequent trainings are conducted to equip the board members with relevant knowledge and skills required to discharge their responsibilities effectively.

Board charter

The institute has board charter which outlines the powers and the responsibilities of the board, committee's terms of reference. Membership, appointment, remuneration, term of the board members, conduct of the meetings, conflict of interest among others. The charter is premised on the Mwongozo Code which guides on corporate governance practices.

Remuneration of the board members

The remuneration of the board members is as per the guidelines set out by the state corporations' advisory committee circulars and the national treasury directives in respect to sitting allowance, transport, and accommodation costs. Details of the full board and committee allowances are included in the financial statement.

Conflict of interest

Board members are required to avoid conflict of interest and deal at arms- length in any matter of the institute. Each member is obligated to disclose any real issues or potential conflict of interest, which may come to their attention whether directly or indirectly. During every board meeting, members are required to make declaration of any conflict of interest they may have in the agenda of the day by way of signing a conflict of interest register. The register is maintained and updated accordingly.

Board members' performance

The performance of the board and its members is evaluated on regular basis in order to gauge their performance and identify areas of improvement. During the year self-evaluation was conducted by the board themselves.

Ethic and conduct

The board members are expected to conduct themselves ethically, honestly and with integrity in all dealings as per the LNTVC code of ethics and conduct.

9. Management Discussion and Analysis

Laikipia North Technical & Vocational College being a key driver to the attainment of the Bottom Up Government Agenda ensures that it is consistently delivering maximum value to her trainees through; Competency Based Curriculum, Innovations and Linkages to the job market strategically aligning them with opportunities nationally, regionally and globally.

The Institution has unrelenting focus on improving and maintaining excellent Technical and Vocational Training across her specialties.

The college's operational and financial performance

Financial performance

During the 2022/2023 financial year, the operations of the institution both current and development were affected by the late and inadequate release of the capitation. The capitation received didn't match with the total number of the college trainees and only kshs. 13,000 was received instead of kshs. 30,000 resulting to cash short fall of kshs. 17,000. This affected the implementation of the 2022 – 2023 financial year budget.

Operation performance

1. Performance contract

LNTVC signed a performance contract with the government of Kenya through the Ministry of Education which is a key accountability tool that endeavours to improve the performance of public officers. The contract runs from 1st July, 2022 to 30th June, 3

The college has constituted a PC committee which comprises of six members; PC chair coordinator other five committee members. The committee work on behalf of the principal in developing PC, lead in PC negotiation and perform both quarterly and annual reporting of PC implementation through GPCIS.

The performance contract reporting is done on quarterly bases by 30th of the following month after of the reporting quarter and end of the financial year.

Several achievements have been made among them

- a) Ensuring that the pending bills do not exceed 1% of the college budget
- b) Developing citizen service delivery charter and placing strategically at the college entrance and in various service points.

- c) Increase in the student enrolment as result of aggressive marketing
- d) Fabrication of the Building workshops

2. Compliance with Statutory Requirements.

The Institute complies with statutory requirements as follows

PAYE

Income tax act, 1973 law of Kenya, places on employers an obligation to deduct and remit monthly income tax for all employees and be remitted to the pay master general on or before 9th day of the following month. Has complied with the set deadline for remission.

NSSF

The NSSF Act, 2013, laws of Kenya, requires employers to deduct and remit NSSF deductions on monthly basis and remit the same on or before 9th of the following month. LNTVC has been remitting the deductions to NSSF on time.

NITA

National Industrial Training Authority (NITA) is a state corporation established under the industrial training (amendment) act of 2011. Its mandate is to promote the high set standards in the quality and efficiency of industrial training in Kenya and ensure an adequate supply of properly trained manpower at all levels in the industry. Employers are required to pay NITA levy annually at monthly rate of kshs.50 per employee including a casual employee as per section 5 (CAP 237) of the industrial training act. LNTVC has been remitting the levy to NITA on time.

NHIF

NHIF Act, 1998. Laws of Kenya, requires the employer to deduct the NHIF dues and remit the same on or before the 9th of the following month. The LETV Chas complied with the NHIF act.

HELB

HELB Act.1995. Laws of Kenya, requires employers to deduct from wages or remuneration of the loanee(s) the amount of any loan as instructed by the board and submit within 15 days after the end of each month. LNTVC has recovered HELB loans from staff as required and submitted the same within the stipulated **Major Risk**.

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The principal financial assets are trade receivables and cash and cash equivalents which arise directly from its operations. The institute has financial liabilities comprising trade and other payables. LNTVC is exposed to the following risk.

- a) Market risk
- b) Liquidity risk
- c) Credit risk
- d) Litigation risk

The board has overall responsibility for the establishment and oversight of the LNTVC risk management frame work.

Risk management policy have been established to identify and analyse the risks faced by the college, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policy and systems will be received regularly to reflect changes in economic conditions and the institution activities

Market risk

LNTVC is located in severe hardship areas which is likely to experience low trainees enrolment which may result in the reduction of revenue.

Liquidity risk

This is the risk of facing liquidity challenges in meeting its financial obligations as and when they fall due. This can be caused by the reducing funding levels from both exchange & non exchange transaction.

Credit risk

LNTVC faces credit risk arising from its customers who majorly provides the income from exchange transactions.

3. Material Arrears in statutory and Other Financial Obligations.

The Institute during financial year under audit did not have any material arrears in statutory and other financial obligations.

There is no major financial impropriety reported by internal audit/audit, risk, risk management & compliance committee of the board, and external auditors.

10. Environmental and Sustainability Reporting Statement

The Institution's strategic plan communicates a desire to strengthen our efforts towards sustainability, becoming genuinely world class in how we respond as a tertiary institution. While sustainability has come a long way at the Institution in recent years, we recognize the need to coordinate and scale up our efforts. We will be bold, integrating sustainability principles and practice across all our departments and throughout all our activities: administration and governance, operations, research, teaching & learning, community engagement and outreach activities.

The Institution Strategic Plan 2020 to 2025 sets out the vision, mission, core values and strategic imperatives that guide activities at the Institution. This Strategic plan clarifies our commitment to enable a consistent, productive focus on sustainability, and to better communicate our efforts at all levels of the organization.

It reflects our commitment to see sustainability embedded as part of the core ethos at the Institution, and builds on groundwork and activities underway across the organization.

We work together, celebrate progress where staff and students are already leading the way, and challenge others to consider how sustainability connects to their work, can enhance their practices, and how they can contribute personally to our sustainability transition.

The Office of Sustainability will provide an annual update on the Institution's progress towards sustainability.

Environmental performance

The Institution aims to ensure that the needs of the population are met without the risk of compromising the needs of future generations. The institution commits to reduce environmental impact through greening programme that involves planting of trees and flowers during the rain seasons. The college also manages various types of waste by setting waste bins at various strategic points within the college.

Our research, teaching and activities are guided by our commitment to environmental sustainability.

We also have a number of Technological areas for our research, teaching, community engagement and processes, allowing us to focus and measure our efforts in making a difference to society.

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Employee welfare

Laikipia North Technical & Vocational College focuses on the importance of everyone directly or indirectly involved in the core mandate of training. We encompass the development of skills and human capacity to support the functions and sustainability of the Institution and to promote the wellbeing of communities and society.

There is a Human resource manual that guides on hiring, appraisal and training of staff. This manual also ensures that our staff are trained and well equipped to handle all emerging issues.

We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviours of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

The college has initiated the following programmes

Activity	Description
Better Training	Optimizing training operations to meet ongoing social and sustainability objectives. Providing opportunities for us to grow as an institute by becoming involved in our local community
Supported Staff	Promoting initiatives that support staff and their families, beyond the provision of employment. Promoting initiatives that recognize the contribution of the students to the community.

Market place practices-

Laikipia North Technical & Vocational College outline its efforts to:

- (a) Responsible competition practice – Our Institution ensures there is responsible competitiveness by making sustainable development count in global and local markets. Through providing courses that suits the markets and that reward business practices that deliver improved social, environmental, and economic outcomes.

Laikipia North Technical & Vocational College
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- (b) Research on market demand has helped us offer courses that would shape business strategies and practices, and the context in which they operate, to take explicit account of their social, economic, and environmental impacts.
- (c) Responsible Supply chain and supplier relations- In this regard the institution places its adverts for tenders on posters, website and other social platforms. Payment to suppliers is done within the limited period of less than Ninety days. Other guidelines like President's directive on Special category tender opportunities are adhered to.
- (d) Responsible marketing and advertisement- In order to ensure we have ethical balance; we reach out to students beyond boundaries by advertising on our website and other n media. We also get students placed to college by KUCCPS
- (e) Product stewardship- The Institution ensures that all the courses offered are accredited by the relevant bodies e.g., KNEC, NITA, CDACC. Students are also guided on ethical practices in relation to their professional field.

Corporate Social Responsibility / Community Engagements

Laikipia North Technical & Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on our nine pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence

Laikipia North Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

11. Report of the Board of Governors

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

Principal activities

The principal mission of the Laikipia North Technical & vocational College is to train competent Human Resource to respond to community needs through innovation and creativity.

Results

The results of the college for the year ended June 30, 2022 are set out on pages 1 to 5.

Board of Governors

The members of the Board who served during the year are shown on page viii and ix. During the year, no member of the board who retired or resigned.

Auditors

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

By Order of the Board



Secretary of the board
Laikipia North Technical & Vocational College
P.O Box 50- 10129
Rumuruti

PRINCIPAL
LAIKIPIA NORTH TECHNICAL
AND VOCATIONAL COLLEGE
P.O. Box 50 20321
RUMURUTI

Laikipia North Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

12. Statement of Board of Governors Responsibilities

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

The board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (Year) ended on June 30, 2022. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting Year;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the college;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the college;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for the college'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 board members are of the opinion that the college's financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30, 2022, and of the college's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

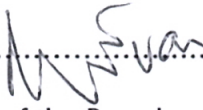
Laikipia North Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

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

Approval of the financial statements

The college's financial statements were approved by the Board on 24/2/2025 and signed on its behalf by:

Name MARTIN J. EVANS

Signature 

Chairperson of the Board

Name Maina Njane

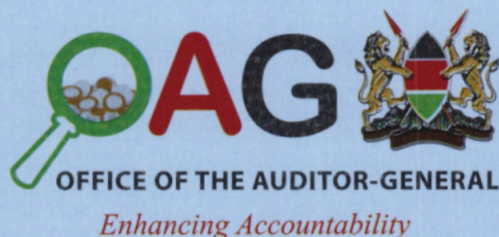
Signature 

Accounting Officer/Principal

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REPUBLIC OF KENYA

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

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

An unmodified opinion does not necessarily mean that the 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 Laikipia North Technical and Vocational College set out on pages 1 to 26, 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 statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Laikipia North Technical and Vocational College 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 Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Property, Plant and Equipment - Un-confirmed Value of Land

The statement of financial position reflects property, plant and equipment balance of Kshs.56,947,402 as disclosed in Note 16 to the financial statements. However, the balance excludes a parcel of land measuring 20 acres of un-known value. The documents provided for audit indicated that the College was issued with a Settlement Fund Trust registration certificate on 12 October, 2017 whose term lapsed on 11 October, 2022. Further, the College applied for renewal and paid necessary levies but the renewal had not been received by the time of concluding the audit in April 2025. In addition, the College was still pursuing the issuance of the title deed.

In the circumstances, the accuracy, completeness of the value of land and the rightful ownership of the parcel could not be confirmed.

Non-disclosure of Inventories

The statement of financial position reflects total current assets balance of Kshs.3,898,808 which excludes inventories. However, physical inspection of the stores and records revealed that the College had stocks of undetermined value as at 30 June, 2022. Further, the Management did not undertake end of year stock take of inventories to confirm their existence and condition.

In the circumstances, the accuracy and completeness of the total current assets balance of Kshs.3,898,808 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.19,932,040 and Kshs.17,629,994 respectively resulting to an under-funding of Kshs.2,302,046 or 12% of the budget. However, the College spent Kshs.16,967,065 against actual receipts of Kshs.17,629,994 resulting to an under-expenditure of Kshs.662,929 of the actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Late submission of Financial Statements

The financial statements of Laikipia North Technical and Vocational College for the year ended 30 June, 2022 were submitted on 12 April, 2025 two and a half (21/2) years after the statutory deadline. This was contrary Section 47(1) of the Public Audit Act 2015 which provides for submission of financial statements to the Auditor General within three months after the end of the fiscal year to which the accounts relate.

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

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of an Audit Committee and Internal Audit Function

Review of documents provided by the Management revealed that the College lacked an internal audit function, which implies that there is no independent assurance that the College's risk management, governance and internal controls are operating as required by relevant laws, policies and procedures. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which stipulates that every national government entity shall ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, the College did not have an audit committee as required by Section 73(5) of the Public Finance Management Act, 2012. This implies that College lacked oversight of the internal controls and compliance with laws, regulations and financial reporting processes.

In the circumstances, the College did not benefit from the oversight role and advice from the audit committee and the internal audit function.

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

Responsibilities of the Management and the Board of Governors

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

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

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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 controls 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 control may not prevent or detect misstatements and instances of noncompliance. 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 Institute'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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern 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 Company's ability to continue as a going concern. 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 College to cease to continue as a going concern.
- 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 Institute 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 controls 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.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 June, 2025

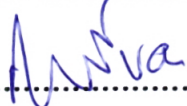
Laikipia North Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

14. Statement of Financial Performance for the Year Ended 30 June 2022

	Notes	2021 – 2022	2020 – 2021
		FY	FY
		Kshs	Kshs
Revenue from non-Exchange transactions			
Transfers from other National Government entities	6	4,762,500	
Total Revenue from non-Exchange transactions		4,762,500	
Revenue from Exchange transactions			
Rendering of service	7	12,867,494	
Total Revenue from Exchange transactions		12,867,494	
Total Revenue		17,629,994	
Expenses			
Use of goods and services	8	10,098,676	
Repairs and maintenance	9	793,891	
Contracted services	10	32,500	
Employee Cost	11	4,360,364	
Director Expenses	12	150,000	
Depreciation & amortization	13	1,364,161	
Total Expenses		16,799,592	
Net surplus/(deficit) for the year		830,402	

(The notes set out on pages 6 to 30 form an integral part of the Annual Financial Statements).

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



Chairman of Board

Date 24/12/2025



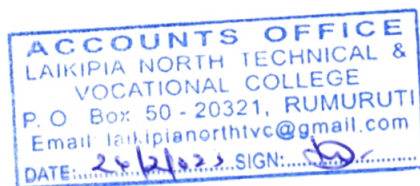
Finance Officer
ICPAK No

Date 24/12/2025



Principal

Date 24/12/2025



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RUMURUTI

Laikipia North Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

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

Description	Notes	2021 – 2022	2020 – 2021
		FY	FY
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	3,210,342	
Receivable from exchange transactions	15	688,466	
Total Current Assets		3,898,808	
Non-Current Assets			
Property, plant, and equipment	16	56,775,294	
Intangible assets	17	56,438	
Total Non-Current Assets		56,831,732	
Total Assets (A)		60,730,540	
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	18	3,235,880	
Total Current Liabilities		3,235,880	
Total Liabilities (B)		3,235,880	
Net Assets (A)-(B)		57,494,660	
Represented By:			
Accumulated Surplus		830,402	
Capital Fund		56,664,258	
Total Net Assets and Liabilities		57,494,660	

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



Chairman of Board



Finance Officer

ICPAK No

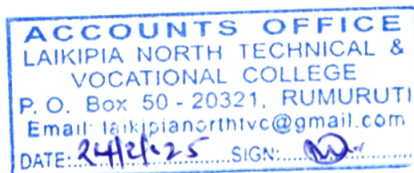


Principal

Date 24/2/2025

Date 24/2/2025

Date 24/2/2025



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 AND VOCATIONAL COLLEGE
 P.O. Box 50 20321
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Laikipia North Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

16. Statement of Changes in Net Asset for the Year Ended 30 June 2022

Description	Revaluation reserve	Accumulated Fund	Capital	Total
			Grants/Fund	
<u>At July 1, 2021</u>				
Revaluation gain				
Surplus/(deficit) for the year		830,402		830,402
Capital grants/Fund			56,664,258	56,664,258
Transfer of depreciation/amortisation from capital fund to Retained earnings				
<u>At June 30, 2022</u>		<u>830,402</u>	<u>56,664,258</u>	<u>57,494,660</u>

Laikipia North Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

17. Statement of Cash Flows for the Year Ended 30 June 2022

Description	Note	2021 – 2022	2020 – 2021
		FY	FY
		Kshs	Kshs
Transfers from other National Government entities	6	4,762,500	
Rendering Of Services	7	12,867,494	
Total Receipts		17,629,994	
Payments			
Use of goods and services	8	10,098,676	
Repairs and maintenance	9	793,891	
Contracted services	10	32,500	
Employee Cost	11	4,360,364	
Director Expenses	12	150,000	
Total Payments		15,435,431	
Net cash flow before working capital changes		2,194,563	
Changes in working Capital		2,547,414	
Net Cash Flows from operating activities	19	4,741,977	
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	20	-1,531,634	
Proceeds from sale of property, plant and equipment			
Net cash flows used in investing activities		-1,531,634	
Cash flows from financing activities			
Proceeds From Borrowing			
Repayment Of Borrowings			
Net cash flows used in financing activities			
Net Increase/(Decrease) in Cash and Cash equivalents		3,210,342	
Cash and Cash equivalents at 1 July, 2021			
Cash and Cash equivalents at 30 June, 2022	14	3,210,342	

Laikipia North Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

18. Statement of Comparison of Budget & Actual amounts for Year Ended 30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	3,600,000		3,600,000	4,762,500	-1,162,500	-32
Transfers from other levels of government					0	
Rendering of services- fees from students	16,332,040		16,332,040	12,867,494	3,464,546	14
Total Income	<u>19,932,040</u>	-	<u>19,932,040</u>	<u>17,629,994</u>	<u>2,302,046</u>	<u>5</u>
Expenses						
Use of goods and services	12,995,096		12,995,096	10,098,676	2,896,420	22
Employee costs	3,556,944		3,876,944	4,360,364	-483,420	-12
Board Expenses	1,200,000		1,200,000	150,000	1,050,000	88
Repairs and maintenance	860,000		860,000	793,891	66,109	8
Contracted services	320,000			32,500		
Total Expenditure	<u>18,932,040</u>	-	<u>18,932,040</u>	<u>15,435,431</u>	<u>3,496,609</u>	<u>18</u>
Surplus For the Period		-		<u>2,194,563</u>	<u>-3,422,744</u>	
Capital Expenditure	1,000,000		1,000,000	-1,531,634	-531,634	(53)
Deficit after capital expenditure	<u>19,932,040</u>	-	<u>19,932,040</u>	<u>662,929</u>		

19. Notes to the Financial Statements

1. General Information

Laikipia North Technical & Vocational College is established by and derives its authority and accountability from TVET Act of 2013. The institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The institute principal activity is technical & vocational training.

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 institute'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 18. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the institute. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<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 the Institute'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;

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • 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 a institute's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<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 Institute 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 Institute. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Institute's financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<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 guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</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</p>

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Standard	Effective date and impact:
	users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of the Institute. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.

iii. Early adoption of standards

The institute 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

ii) Revenue from exchange transactions

Rendering of services

The institute recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

b) Budget information

The original budget for FY 2021/2022 was approved by the Board or Board in **May, 2021**. No Subsequent revisions or additional appropriations were made to the approved budget. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

c) Taxes

Current income tax

The institute is exempted from paying taxes

d) Property, plant and equipment

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

e) Intangible assets

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

f) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions, 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:

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

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

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

g) Provisions

Provisions are recognized when the Institute 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

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can be made of the amount of the obligation. Where the Institute expects some or all of a provision to be reimbursed, 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 Institute 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 Institute 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 Institute 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.

h) Social Benefits

Social benefits are cash transfers provided to

- a) specific individuals and / or households that meet the eligibility criteria,
- b) mitigate the effects of social risks and
- c) Address the need of society as a whole.

The institute recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the institute will incur in fulfilling the present obligations represented by the liability.

i) Nature and purpose of reserves

The Institute does not create and maintains reserves

j) Changes in accounting policies and estimates

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

k) Employee benefits

Retirement benefit plans

The Institute does not provide retirement benefits for its employees and directors.

l) Related parties

The Institute regards a related party as a person or institute with the ability to exert control individually or jointly, or to exercise significant influence over the Institute, or vice versa. Members of key management are regarded as related parties and comprise the board of governor, the principal and senior management team.

m) Service concession arrangements

The Institute 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 Institute 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 Institute also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank 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.

o) Comparative figures

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

p) 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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Institute'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 Institute 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 Institute. 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:

- a) The condition of the asset based on the assessment of experts employed by the Institute.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.

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- d) Availability of funding to replace the asset.
- e) 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 the Notes.

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.

Provisions for Doubtful Debts are recognized at the following rate:

No	Debt age	Rate
i.	Current Year	2.5%
ii.	Over 1 Year	10%
iii.	Over 2 Years	15%
iv.	Over 3 Years	20%
v.	Over 4 Years	50%
vi.	Over 5 Years	100%

Depreciation

Depreciation is charged on a reducing balance basis over the estimated useful lives of the assets. The annual rates of depreciation used shall be as

No	Classification of asset	Rate
i.	Building	2 %
ii.	Plant, Machinery and equipment	12.5%
iii.	Office Equipment and computer accessories	12.5%
iv.	Computer equipment	30%
v.	Motor vehicles- Buses & others	25%
vi.	Furniture and fittings	12.5%
vii.	Library books	20%

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6. Transfers from Other Levels of Government

Description	2021 – 2022	2020 – 2021
	FY Kshs	FY Kshs
Capitation	4,762,500	
Total Transfers	4,762,500	

7. Rendering of services

Description	2021 – 2022	2020 – 2021
	FY Kshs	FY Kshs
Admin	5,000	
CDF Bursary	136,500	
College Id	270	
Examination	6,000	
HELB Loan /Bursary	1,983,200	
Hostel	7,290	
Insurance	3,000	
Log Book	5,500	
LTT	79,150	
NG CDF Bursary	10,000	
Practical	5,000	
Reg. Fee	48,250	
RMI	12,720	
Student Welfare	7,000	
Statutory Fees	5,700	
Student Id	1,000	
Tuition	3,318,714	
Ujuzi Manyattani	7,233,200	
Total Rendering of service	12,867,494	

8. Use of Goods and Services

description	2021 – 2022	2020 – 2021
	FY Kshs	FY Kshs
Activity Expenses	99,820	
Admin Exp	2,566,988	
Attachment Exp	272,400	
Bank Charges	12,310	
College Id	65,200	
COVID 19 Exp	400	
EWC Expenses	589,194	
HELB Refund Expenses	47,800	
Hostel Exp	44,000	
ICT Expenses	107,920	
Internet Exp	35,000	

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KASNEB Exp	16,450	
KATTI Fee Exp	553,440	
KNEC	679,302	
LTT Exp	136,800	
Marketing Exp	61,400	
Master Plan	10,000	
Office Stationery	12,910	
Performance Contract Exp	39,800	
Practical Exams Exp	433,893	
Student Welfare Exp	232,065	
Subsistence Allowance	381,100	
Telephone Exp	243,200	
Training Materials	608,349	
Tuition Exp	17,000	
Ujuzi Manyattani Exp	2,831,935	
Total Use Of Goods & Services	<u>10,098,676</u>	

9. Repairs and Maintenance

Description	2021 – 2022 FY	2020 – 2021 FY
	kshs	Kshs
Property	793,891	
Total Repairs and Maintenance	<u>793,891</u>	

10. Contracted Services

Description	2021 – 2022 FY	2020 – 2021 FY
	kshs	kshs
Security services	32,500	
Total contracted services	<u>32,500</u>	

11. Employee Cost

Description	2021 – 2022 FY	2020 – 2021 FY
	Kshs	Kshs
Casual	54,500	
Salaries	4,305,864	
Total contracted services	<u>4,360,364</u>	

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12. Directors Expenses

Description	2021 – 2022 FY	2020 – 2021 FY
	Kshs	Kshs
BoG exp	150,000	
Total contracted services	<u>150,000</u>	

13. Depreciation & amortization

Description	2021 – 2022 FY	2020 – 2021 FY
	Kshs	Kshs
Building	1,328,317	
Furniture & Fittings	8,281	
Machinery & Equipment	19,500	
Intangible Assets	8,063	
Total contracted services	<u>1,364,161</u>	

14. Cash and Cash Equivalents

Description	2021 – 2022 FY	2020 – 2021 FY
	Kshs	Kshs
Current Account	2,846,655	
Cash	363,687	
Total Cash and Cash Equivalents	<u>3,210,342</u>	

14 (b) Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2021 – 2022 FY	2020 – 2021 FY
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1240661096	2,846,655	
Sub- Total		<u>2,846,655</u>	
b) Others)			
Cash in Hand		363,687	
Sub- Total		<u>363,687</u>	
Grand Total		<u>3,210,342</u>	

15. Receivables from Exchange transactions

Description	2021 – 2022 FY	2020 – 2021 FY
	Kshs	Kshs
Current Receivables		
Fees arrears	688,466	
Total Current Receivables	<u>688,466</u>	

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15 (a) Ageing Analysis on Receivables from Exchange Transactions

Description	2021 – 2022 FY		2020 – 2021 FY	
	Kshs		Kshs	
	Current FY	% of the total	Current FY	% of the total
Less than 1 year	688,466	100%		
Total	688,466			

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

Description	2021 – 2022 FY	2020 – 2021 FY
	Kshs	Kshs
At the beginning of the year		
Additional provisions during the year	688,466	
Recovered during the year		
Written off during the year		
At the end of the year	688,466	

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16. Property, Plant and Equipment

Cost	Buildings	Furniture and fittings	Computers	Plant and equipment	Library books	other assets	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 st July 2021 (Financed by capital fund	53,132,676	66,250	0	156,000			938,180	54,293,106
additional Financed by capital fund							2,371,152	2,371,152
Additions (Financed by AIA)	0	0	95,000	95,550	16,402	16,000	1,244,182	1,467,134
Disposals								
Transfers/Adjustments								
At 30th June 2022	<u>53,132,676</u>	<u>66,250</u>	<u>95,000</u>	<u>251,550</u>	<u>16,402</u>	<u>16,000</u>	<u>4,553,514</u>	<u>58,131,392</u>
Depreciation And Impairment								
At 1 July 2021								
Depreciation	1,328,317	8,281	0	19,500	0	0	0	1,356,098
Dep Rate	0.025	0.125	0.300	0.125	0.125	0.125		
Disposals								
Impairment								
At 30th June 2022	1,328,317	8,281	0	19,500	0	0	0	1,356,098
Net Book Values								
At 30th June 2022	<u>51,804,359</u>	<u>57,969</u>	<u>95,000</u>	<u>232,050</u>	<u>16,402</u>	<u>16,000</u>	<u>4,553,514</u>	<u>56,775,294</u>

WORK IN PROGRESS

Capital Exp - Ablution	1,923,004
Capital Exp - Container House	1,181,540
Capital Exp - Library	788,364
Capital Exp - Masonry Workshop	40,000
Capital Exp Ablution Block	119,012
Capital Exp- Gate	193,230
Sopa Girls Project	308,364

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Valuation

The college assets have not been valued

16 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land			
Buildings	53,132,676	1,328,317	51,804,359
Plant And Machinery	251,550	19,500	232,050
other assets	16,000		16,000
Computers and Related Equipment	95,000		95,000
Furniture, And Fittings	66,250	8,281	57,969
Library books	16,402		16,402
Capital Work in progress	4,553,514		4,553,514
Total	<u>58,131,392</u>	<u>1,356,098</u>	<u>56,775,294</u>

17. Intangible Assets

Description	2021 – 2022 FY	2020 – 2021 FY
	Kshs	Kshs
Cost		
At beginning of the year		
Additions(Financed by AIA)	64,500	
At end of the year		
Additions–internal development		
At end of the year		
Amortization and impairment	8,063	
At beginning of the year		
Amortization		
At end of the year	8,063	
Impairment loss		
At end of the year		
NBV	<u>56,438</u>	

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18. Trade and Other Payables

Description	2021 – 2022	2020 – 2021
	FY	FY
	Kshs	Kshs
Other Payables – Mentor institute	3,112,667	
Prepaid Fees	123,213	
Total Trade and Other Payables	<u>3,235,880</u>	

Description	2021 – 2022		2020 – 2021	
	FY		FY	
	Kshs		Kshs	
Ageing analysis:	Current FY	% of the Total	Current FY	% of the Total
Under one year	123,213	4%		
1-2 years				
2-3 years	63,932	2%		
3- 4 years	2,167,595	67%		
Over 4 yrs	881,140	27%		
Total	<u>3,235,880</u>			

19. Cash generated from operations.

Description	2021 – 2022	2020 – 2021
	FY	FY
	Kshs	Kshs
Surplus/Deficit for the year before tax	2,194,563	
Adjusted for:		
Depreciation		
Working Capital Adjustments		
Increase in Inventory		
Increase in Receivables	(688,466)	
Increase in Deferred Income		
Increase in Payables	3,112,667	
Increase in Payments received in advance	123,213	
Net Cash Flow from Operating Activities	<u>4,741,977</u>	

20. Purchase of property, plant, equipment and intangible assets

	2021 – 2022	2020 – 2021
	FY	FY
	Kshs	Kshs
Other Assets	16,000	
Computers And Related Equipment	95,000	
Library Books	16,402	

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	2021 – 2022	2020 – 2021
	FY	FY
	Kshs	Kshs
Capital Work In Progress	1,244,182	
Plant And Machinery	95,550	
Intangible Assets	64,500	
Total Purchase Of Property, Plant, Equipment And Intangible Assets	<u>1,531,634</u>	

21. Financial Risk Management

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
Total				
At 30 June 2022				
Receivables from exchange transactions	688,466	688,466		
Receivables from non-exchange transactions				
Bank balances				
Total	688,466	688,466		

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 college has significant concentration of credit risk on amounts due from ksh. 1,000,000

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade Payables				
Employee Benefit Obligation			3,112,667	3,112,667
Total			3,112,667	3,112,667
At 30 June 2022				
Prepaid fees	123,213			123,213
Other payables – mentor institute			3,112,667	3,112,667
Total	123,213		3,112,667	3,235,880

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(iii) Market risk

The college has put in place an internal audit function to assist it in assessing the risk faced by the college 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 college'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 college'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 college's exposure to market risks or the manner in which it manages and measures the risk.

iv) Capital Risk Management

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

Description	2021 – 2022 FY	2020 – 2021 FY
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings	830,402	
Capital Reserve	56,664,258	
Total Funds	<u>57,494,659</u>	
Total Borrowings		
Less: Cash and Bank Balances		
Net Debt/(Excess Cash and Cash Equivalents)	3,210,342	
Gearing	6%	

22. Related Party Balances

Nature of related party relationships

Entities and other parties related to the college 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.

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Government of Kenya

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

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

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

Description	2021 – 2022	2020 – 2021
	FY	FY
	Kshs	Kshs
a) Grants /Transfers from the Government		
Transfers from other National Government entities	4,762,500	
Total	<u>4,762,500</u>	
b) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for college Employees	4,360,364	
Payments for Goods and Services for the college	10,098,676	
Total	<u>14,459,040</u>	
c) Director expenses		
Director Expenses	150,000	
Total	<u>150,000</u>	

23.Events after the Reporting Period

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

24.Ultimate And Holding College

The institute is a under the Ministry of education. Its ultimate parent is the Government of Kenya

25.Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your college 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
 Date

PRINCIPAL
 LAIKIPIA NORTH TECHNICAL
 AND VOCATIONAL COLLEGE
 P O Box 50 20321
 RUMURUTI

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Appendix II: Projects Implemented by Laikipia North Technical & Vocational College

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

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Appendix III- Inter-College Confirmation Letter

Laikipia North Technical & Vocational College

The college 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.

Confirmation of amounts received by Laikipia North Technical & Vocational College as at 30 th June 2022							
Reference Number	Date Disbursed	Amounts Disbursed (Kshs) as at 30th June 2022				Amount Received by [Beneficiary College] (Kshs) as at 30 th June 2022 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accountants department of beneficiary College:

Name Darwin Jimbo Sign [Signature] Date 24/2/2025

ACCOUNTS OFFICE
 LAIKIPIA NORTH TECHNICAL &
 VOCATIONAL COLLEGE
 P. O. Box 50 - 20321, RUMURUTI
 Email: laikipianorthtvc@gmail.com
 DATE: 24/2/25 SIGN: [Signature]

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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

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