

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	DATE: 14 JUN 2023
	DAY: WED
TABLED BY:	Com: Ithur-Kimani LCHUNGWAH, MP
OF PRESENTED AT THE TABLE:	ESTHER NGINTO

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**TURBO TECHNICAL AND
VOCATIONAL COLLEGE**

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





TURBO TECHNICAL AND VOCATIONAL COLLEGE.

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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I. Key Entity Information and Management

(a) Background information

Turbo Technical and Vocational College was incorporated/ established under the TVET Act/ 2013 Act on (11th February 2021). Turbo Technical and Vocational College is domiciled in Kenya and has no branches. The institute is under the Ministry of Education.

Turbo technical and Vocational College opened its first doors to new students' admissions in the month of October, year 2020. Turbo TVC is located in Uasin Gishu County, Turbo Constituency, Kamagut ward. When the college was established the area community benefitted so much as there was no nearby college providing such courses and taking students at a more convenient and reliable environment. The college in its 2nd year since operation has managed to admit more than 400 students who are taking Artisan, Craft and Diploma levels.

There are four departments currently formed under the TVET Act 2013 which are Building and Civil Engineering Department, Automotive Agriculture and Welding Department, Information Communication and Technology Department, Business and Developmental Studies Department. More department to be incorporated in future.

(b) Principal Activities

The principal activity/mission/ mandate of Turbo Technical and Vocational College is to ...

The Vision of the institution is to be an exemplary regional and global TVET Centre in research and innovation.

The Mission of the institution is to produce competent human capital through innovative technological training and research for a dynamic economy.

The core functions or objectives of Turbo Technical and Vocational College are

1. To provide quality technical, knowledge, skills and attitudes for manpower development
2. To advance relevant knowledge and its practical application through research and innovation.
3. To increase student access to courses by offering a wide range of TVET courses.
4. Aspire to provide to provide an all-inclusive training.

(c) Key Management

Turbo Technical and Vocational College's day-to-day management is under the following key organs:

Turbo technical and Vocational College is under the Board of Governors.

The Accounting officer is the principal. The principal is in-charge of administrative functions of the college

The Institution has only one Deputy Principal taking charge of the academics and the Head of Departments and the trainers are under the Deputy Principal.

(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:

No.	Designation	Name
1.	Principal	Mr. Stedi L. Boniface
2.	Deputy principal Finance	-
3	Deputy principal Academics	Mr. Japheth M. Kiboi
4	Registrar (s)	Mr. Moses Mbatiany (Ag)
5	Dean of students	Mr. Josphat Kosgei (Ag)
6	Head of Finance	Mr. Cerrick Kirwa

(e) Fiduciary Oversight Arrangements

The Board of Governors' Sub-committees facilitate decision making to assist the Board in execution of its duties, powers and authority; however, delegation of authority to the committees does not in any way take away the prerogative powers of the Main Board in discharging its duties. The Committees have been established with formal written terms of reference to guide their activities. The duties of the respective committees are to strategize, monitor and evaluate the execution of the various factions in Turbo Technical.

The Finance committee is in charge of budgetary approvals and development projects evaluation and performs routine checks and balances to the finances of the institution. The committee is also in charge of recruitment and staff appraisals.

The Audit committee on the other hands ensures that the internal controls and procedures are adhered to and all material areas are put into scrutiny to safeguard the college assets and to curb any financial threat.

The Education committee is in charge of developing of education policies and make sure the progress of Turbo Technical is academically is a priority and the learning environment is conducive for students as well as their welfare.

In the Financial Year 2021-2022, the following Board sub-committees were in place:

1. Finance and Human Resource Committee

- i) Mr. Haron A.K.Sitienei Chairperson
- ii) Dr. Boit Serem Rose Chepleting
- iii) Dr. Fatuma Daudi
- iv) Mr. Jeoffery M. Mutiso

2. Education Committee

- i) Mr. Jeoffrey M. Mutiso _ Chairperson
- ii) Dr. Wesley K. Mutai
- iii) Mr. Bernard Barasa Wekesa

3. Audit and Risk Committee

- i) Mr. Alex Haron Sitienei – Chair Audit Committee
- ii) Mr. Benard Baraza
- iii) Dr. Wesley Mutai
- iv) Dr. Fatuma Daudi

Key Entity Information and Management (Continued)

(f) Entity Headquarters

P.O. Box 9722
Turbo TVC Building
Eldoret, Bungoma Jua Kali Highway/ Sugoi junction
ELDORET, KENYA

(g) Entity Contacts

Telephone: (254) 718 000 132
E-mail: info@turbotechnical.ac.ke, tvcturbo@gmail.com
Website: www.turbotechnical.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
Eldoret West Branch
P.O. Box 48400- 00200
Nairobi, Kenya

No other Commercial Banks

(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

II. The Board of Governors

No.	Member/ Director	Details
1.	 Mrs. Dinah Kirwa, MBA HR – Chairperson Board Of Governors	<p>Dinah Kirwa was Born on 27/7/1969. She is the current Chairman of Board of Governors of Turbo Technical and Vocational College.</p> <p>Currently</p> <ul style="list-style-type: none"> i) PhD in Leadership and Governance, Jomo Kenyatta University of Science and Technology. Completed course work and currently working on the thesis proposal. ii) Moi University, Master of Philosophy in Human Resource Development. iii) Human Resource specialist, a team player, results oriented individual who can work under pressure with no supervision. I am a person of high integrity, honest, very professional and emotionally stable. My greatest strength is in strategy executive, policy development and leadership. An active member of institute of Human Resource management (IHRM) Kenya. Membership number 01464 iv) Member of East and Central Africa social Security Association. <p><u>Other Professional Engagements</u> Consultant, AMPATH project,, Eldoret rubber and tyre company Facilitate HR activities in Church.Provided mentorship to many young professionals</p>
2.	 Dr. Wesley Kiprotich Mutai Member Board Of Governors	<ul style="list-style-type: none"> - Lecturer Moi University Department of Technology Education - Holder of Doctor of Philosophy in technology Education (TVET) - Holds Master of Philosophy in Technology Education (Electrical Technology) - Registered with Energy Regulatory Commission as a Licensed Electrician - Member of Institution of Engineering Technologists and Technicians (IET) <p><u>Other Professional Engagements</u></p> <ul style="list-style-type: none"> - Member of Governing Council of the Eldoret National Polytechnic. - Chairman BOM of Chemaner Secondary School
3.	 Mr. Benard Taabu Barasa Member Board Of Governors	<ul style="list-style-type: none"> - Employed as a Senior Mechanical Maintenance Technician / Assistant team Leader at Tata Chemicals Magadi Company Limited - Trained for PLC (Programmable Logic Controllers), Power Transmission by SKF, L.S.S. Blue Belt. - Has a Bachelor’s degree in Mechanical Engineering. - Supervision of Technicians and Assistant Technicians during maintenance work. - Modifies plant systems to improve on plant performance
4.	 Mr. Jeffrey M. Mutiso Member Board Of Governors and Chair Education Committee	<ul style="list-style-type: none"> - Ongoing PHd in development Studies - Lecturer at Moi University (Department of Sociology, Psychology and Anthropology) - Member of Human Rights Society Kenya - Member of Rotaract club (Kenya Chapter) - Member of Red Cross Society

5.	 <p>Dr. Fatuma Daudi Member Board Of Governors</p>	<ul style="list-style-type: none"> - Dr. Fatuma Daudi is Lecturer at the Department of Environmental Monitoring Planning and Management at the School of Environmental Studies University of Eldoret. - She holds a Doctorate in Environmental Planning and Management from Moi University. Research interests are in Environmental Conservation, Disaster Management, sustainable Development, Gender and Environment and Community participation. <p><u>Other Professional Engagements</u></p> <ul style="list-style-type: none"> - She also served as the co-ordinator, EIA/EA training at the School of Environmental Studies. - She also serves as the Chair to the BOM Ummahat Integrated School. - Senate Representative University of Eldoret school of Environmental Studies.
6.	 <p>Haron Alex K. Sitienei Member and Chair Audit Committee</p>	<ul style="list-style-type: none"> - Haron Alex Sitienei was born on 7th September 1977 - Ongoing Phd in Project Planning and Management - To date, Senior Clerk County Assembly of Uasin Gishu <p><u>Other Professional Engagements</u></p> <ul style="list-style-type: none"> - Member, Project Managers Association of Kenya - Member, Computer Society of Kenya - Member of Institute of Management - IMIS Member - Member of CISCO (CCNA)
7.	 <p>Dr. Boit Serem Rose Jepleting , DPHIL; MU, MBA, Bed- Decision Making and Development (Hons)</p>	<ul style="list-style-type: none"> - Dr. Boit Serem is currently the Chief officer, Department of Trade Investment and Industrialization, Nandi County - Full time Lecturer at Department of Management Science, school of Business and Economics Moi University. <p><u>Other Professional Engagements</u></p> <ul style="list-style-type: none"> - She is Member of European Centre for Research Training and Development, - Member of KIM. - Member of Africa Academy of Management.
8.	 <p>Mr. Stedi L. Bonface Secretary to the Board of Governors</p>	<p>Secretary to the BoG</p> <p>Mr. Stedi L. Bonface is currently the Secretary to the BoG Turbo Technical and Vocational College.</p> <ul style="list-style-type: none"> - 2023 April-to Date: C.E.O Turbo Technical and Vocational College. - 2019 March -to 2023 March: Principal Lodwar Technical and Vocational College. - 2013-2019: HoD Building and Civil Eng. Department-Eldoret National Polytechnic. - 2011-2019: Management Representative-Eldoret National Polytechnic. - 2016 – 2019: Lead KEFEP1- Cican Project – Eldoret National Polytechnic.

III. Management Team

No.	Member/ Director	Details
1.	 <p>Mr. Stedi L. Bonface Principal/ Accounting Officer</p> <p>Key qualifications:</p> <ul style="list-style-type: none"> • MPhil Tech. Ed (Building and Civil Engineering) • Bed Tech (Building and Civil Engineering) • Senior Management Course (Baringo) 	<p>Principal/ C.E.O Turbo TVC - 2023 April-to Date: Principal/C.E.O Turbo Technical and Vocational College.</p>
2.	 <p>Mr. Japheth Manura Kiboi</p> <p>Holder of Masters in Technology Education – Mechanical and Automotive Technology</p>	<ul style="list-style-type: none"> - Deputy Principal (Academic/ Administration) - Lecturing at Diploma and Certificate Level - Guiding and Counselling officer
3.	 <p>Cerrick Kirwa Accountant CPA (K) Diploma in Business Management</p>	<ul style="list-style-type: none"> - Finance Officer - Accountant

IV. Chairperson's Statement

I take this opportunity to thank the appointing Authority and the stakeholders of Turbo Technical and Vocational College for granting me the opportunity to chair the Board of Governors.

The Board was inaugurated in February the 11 of 2021 and subsequently took over their strategic role in the affairs of the College. I sincerely appreciate the Board of RVTI for their role in providing mentorship to the College; from initiation to its establishment.

The BOG is now fully operation and two committees of the Board have been established; Education and Finance committee to provide the technical guidance and advice required and ensure the Governance requirements are met and adhered to. Over ninety (90) of the Board members have gone through the induction program organized by the Ministry of Education, State Department of Vocational and Technical College to prepare them for their roles.

Turbo Technical and Vocational College opened its first doors to new student's admission in October 2020. The College is located in Uasin Gishu county, Turbo constituency, with a reasonable population which provide huge potential for student uptake at the College. The College is in its second year of operation with 146 students admitted both Kenya Central Universities and Colleges Placement System placement and Self sponsored students.

The college currently has four departments and offers technical training as per the TVET Act 2013. The four departments are;

- Building and Civil Engineering department
- Information and Communication Technology department
- Business and Developmental Studies Department
- Automotive and Agriculture department

The Board and Management are working closely with other stakeholders in the Community and the County Government to explore small innovative courses that will provide the needed skills and act revenue sources for the college.

The principal of the school, the deputy and a team of 12 training staff are working hand in hand to ensure that the students receive adequate training and are prepared well for the National examinations. The Board of Governors appreciate the both teaching and non-teaching staff for their commitment and dedication to the success of the College.

The College is still in its early stages of development and as such, still facing challenges of scarcity of both financial and human resources. There is heavy dependence of trainers employed by the Board of Governors. Most of the financial resources therefore goes to payment of salaries. Delays in payment of capitation funds is impacting heavily on service delivery and it is the prayer of the Board that capitation disbursement be done promptly.

Other facilities such as water and Hostels remain a challenge. We have however reached out to stakeholders and community for support and partnership in meeting these needs. We hope that these discussions will bear fruit and that some of the needs will be made. The Hostels are particularly an area of priority given that the College is already admitting students from all over the Country through KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE (KUCCPS).

The Board appreciates the County Government of Uasin Gishu for choosing the College for its tree planting day this year and for sponsoring student for welding courses. I wish to also appreciate the Constituency Development Fund (CDF) office for partial sponsorship to students from the constituency courtesy of the area member of parliament.

I wish to finally request the Ministry to consider posting more trainers to the College to enable it provide quality training and meet its objectives.

Thank you



Dinah J. Kirwa.
BOG Chairperson

V. Report of the Principal

Turbo Technical and Vocational College opened its door to students on with

This institution was mentored by Rift Valley Technical Training Institute-Eldoret.

The institution is managed by the Board of Governors that has been inducted by the State Department of Vocational and Technical Training.

We have a training staff of 12 and a non-training staff of 8 with a student's population of 145. 6 of the training staff are from the public service while the remaining 6 are under the Board of Governors.

The National Government Constituency Development Fund (NG-CDF) Turbo constituency sponsored 80 students at a cost of Kshs. 10,000/= per student.

We have the following Department:

- a) Building and Civil Engineering Department
- b) Information Communications Department
- c) Business and Development studies Department
- d) Agriculture Department.

The institution is connected to internet through the TELKOM as the service provider.

The Technical and vocational Education and Training (TVET) institutions within the region are organizing a regional Learning Management System (LMS) that will be cost shared.

There are three courses in the brochure that do not have students as indicated in the Education report.

We accepted the communities request to start new course such as Agriculture, Automotive and Welding. We have approached the approving body Technical and vocational Education and Training Authority (TVETA) and they have accepted. We also have intention of starting short courses for income generating activities such as:

- (a) Painting for three months
- (b) Housekeeping for three months
- (c) Cabro blocks production

We are engaging the National Government -Constituency Development Fund for Turbo Constituency to support us on the following projects:

1. External toilets
2. Power house
3. Gate house
4. Security House

We are also engaging the County Government of Uasin Gishu to support us in the following project:

1. Bore hole
2. Elevated steel tank
3. Submersible pump

In the month of November 2020, the County Government of Uasin-Gishu organized a sensitization of Technical and vocational Education and Training (TVET) institutions in all the Sub-Counties where we participated and informed the public about the existence of the institution.

We have also been using the Facebook and our website to advertise for our courses. Through Kenya universities and colleges central placement service.

Have also sent us a list of 400 students from around the country and some of them have reported.

We applied for 21 courses to be registered and we appreciated the approving Technical and vocational Education and Training Authority (TVETA) for accepting 18 courses. We are affiliated with Kenya Association of Technical Training Institutes, registered with through KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE (KUCCPS).

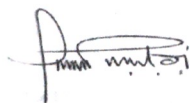
And our students benefit from Higher Education Loans Board. We have been identified by the Governor UG County as an institution to host the World Forest Day which was, we conducted successfully.

Some of the challenges include:

- Delay of disbursement of Higher Education Loans Board and Capitation funds.
- Sufficient funds to advertise and market the institution.
- Shortage of Public Service Commission trainers.
- More space for expansion.
- No vehicle for local operations and automotive practical.
- Incomplete remittance of capitation especially quarter 4 which has never been remitted affects the institutions operations. Government demands the outstanding capitation balance to be charged to parents. This should be streamlined to avoid such inconveniences in future.

With all the above and many more, we look forward to serve the Kenyan Youths and make Turbo Technical and Vocational College a better place.

Thank you.



Stedi Boniface.
Principal / Secretary BOG.

VI. Statement of Performance against Predetermined Objectives

This was not evaluated

VII. Corporate Governance Statement

1. Board meetings attendance

The board holds its meeting at least once every quarter. The same applies to the board committees. In FY 2021/2022, Meetings were held as follows;

	Nature of the meeting	ordinary	special	total
1	Inauguration	None		0
	Handing over	1		1
	Full board meeting	3		3
	Finance committee	3		3
	Education committee	3		3

2. Code of conduct /responsibilities of board members.

Turbo TVC board of governors relies on the prescription of the TVETA Act, 2013 on the description of its responsibilities, functions and structure and ethical conduct.

3. Appointment and removal of board of governors

The appointment and removal of the board of governors is prescribed under the TVETA Act, 2013 the appointing authority takes into consideration skills mix in selection to ensure persons with key specialization are included such as Engineering, Finance, ICT, Technical areas etc. it also factors in gender and ethnic representation as per the constitution. The current board of governors was appointed by the permanent secretary ministry of Education science and technology in February 2021 and lapses in February 2024.

4. Training

The board of governors attended training in corporate governance organized by the Ministry through the TVETA in July 2021.

5. Board performance evaluation

There is a formal process for reviewing and evaluation of Boards performance and its committees. During the financial year the board didn't perform performance evaluation since they were still streamlining on process to put in place for them to operate.

6. Conflict of interest

Declaration of conflict is maintained in all meetings. A register of conflict of interest is maintained by the college to record all the declarations.

7. Board remuneration

The board are entitled to sitting allowance as the Board consensus.

8. Succession plan

The current board does not have a succession plan as members appointed were given the same duration of tenure. The college will discuss with the parent Ministry to stagger the appointment of the board members.

9. Governance Audit.

As of to date no audit has been undertaken but going forward such an audit will be conducted.

I. MANAGEMENT DISCUSSION AND ANALYSIS

Turbo Technical and 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, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

VIII. Management Discussion and Analysis

Turbo Technical and 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, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

IX. Environmental And Sustainability Reporting Statement (Two-to-three pages)

Sustainability strategy and profile

Turbo Technical and vocational College currently has no sustainability strategy but the management and the board of governors are trying to lead this transition, and to induce changes in this new paradigm. The institution has a cordial working relation with the Member of Parliament who has greatly engineered our prosperity by offering funds and vowing to fund other major projects in the near future. Also, the institution is trying to engage in income generating projects such as block making and cabro making which is an extra source of income. We have also enhanced extensive marketing to ensure we get more students in order to receive more revenue.

Turbo technical and vocational college desire to enhance its visibility, performance and competitiveness in the tertiary education sector. However, to achieve these objectives the college requires a lot of support from the other stakeholders and Government in terms of funding and moral support and other contributions. The challenges include delay in disbursement of capitation which leads to delay in settling the college obligations and implementing the college programmes. The college have limited tuition facilities e.g., lecture rooms and workshops which are used in delivering services to the students. The other challenge is on understaffing which also hinder quality service deliver.

Environmental performance

Under environmental performance, Turbo technical has no adverse environmental effect since it a learning institution and has a suitable learning environment conducive for both the learners and surrounding community. Currently there are no environmental related issues raised and we will endeavour to conserve the environment.

Employee welfare

Remuneration of employees is outlined and also appraisal of employees based on performance.

Corporate Social Responsibility / Community Engagements

The institution has currently not embraced the CSR activities however in general through collaboration with the Member of Parliament, member of county assembly and the county government, we managed during the financial year to help students get bursaries both from within and without. Going forward we are working hard to implementing valuable, rare and non-substitutable actions to this effect.

X. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2022, which shows the state of Turbo Technical and Vocational College's affairs.

Principal activities

The principal activities of Turbo Technical and Vocational College are:-

1. To increase access to quality TVET (from 150 students in 2021 to 2,000 by 2024)
2. To promote equity in TVET by providing opportunities for lifelong learning
3. Provide quality and relevance in training by developing and encouraging a culture of research, creativity and innovation among trainees and staff.
4. To provide adequate infrastructure as per TTVC masterplan.
5. To attract and retain skilled, motivated and productive staff
6. Establish good governance for effectiveness and efficiency
7. To enhance collaboration with industries, other TVET institutions and other stakeholders
8. To participate in corporate social responsibility and actively collaborate with the community by providing consultancy and research services.
9. To promote green technology in the institution and its environment.

Results

The results of Turbo Technical and Vocational College for the year ended June 30 are set out on page

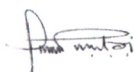
Board of Governors

The members of the Board who served during the year are shown on pages *vi, vii, viii*. During the year 2021/2022 no director retired nor resigned and none was appointed.

Auditors

The Auditor General is responsible for the statutory audit of Turbo Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 external Auditors from The Office Of The Auditor General were nominated by the Auditor General to carry out the audit of Turbo Technical and Vocational College for the year/period ended June 30, 2022, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Secretary of the Board of Governors
Nairobi
Date: 05th May 2023

XI. Statement of Board of Governors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)*) require the council members to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of Turbo Technical and Vocational College at the end of the financial year/period and the operating results of Turbo Technical and Vocational College for that year/period. The Board members are also required to ensure that Turbo Technical and Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of Turbo Technical and Vocational College. The Board members are also responsible for safeguarding the assets of Turbo Technical and Vocational College.

The Board members are responsible for the preparation and presentation of Turbo Technical and Vocational College's financial statements, which give a true and fair view of the state of affairs of Turbo Technical and Vocational College for and as at the end of the financial year (period) 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 period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Turbo Technical and Vocational 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 Turbo Technical and Vocational 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 Turbo Technical and Vocational 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 State Corporations Act, and the TVET Act*) – *entities should quote applicable legislation as indicated under*). The Board members are of the opinion that Turbo Technical and Vocational College's financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2022, and of Turbo Technical and Vocational College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Turbo Technical and Vocational College, which have been relied upon in the preparation of Turbo Technical and Vocational College's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that Turbo Technical and Vocational 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

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

Turbo Technical and Vocational College's financial statements were approved by the Board on 29th September 2022 and signed on its behalf by:



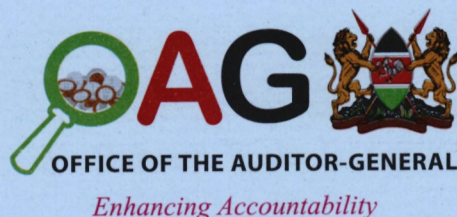
Name: DINAH J. KIRWA
Chairperson of the Board of Governors



Name: BONFACE L. STEDI
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Turbo Technical and Vocational College set out on pages 1 to 54, which comprise of the statement of financial position as

at 30 June, 2022, and statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Turbo Technical and Vocational College as at 30 June, 2022, and its financial performance and its cash flows for the year then ended, in accordance with Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act.

Basis for Qualified Opinion

1. Presentation and Disclosures of Financial Statements

- i. The statement of cash flows reflects net cash flows from operating activities amount of Kshs.1,892,910. However, a recast of the statement shows Kshs.1,882,910 resulting to an unexplained variance of Kshs.10,000. Further, the statement reflects receipts from rendering of services - fees from students amount of Kshs.1,775,141 which is at variance with the balance of Kshs.8,139,430 reflected in the statement of financial performance. The resulting variance of Kshs.6,364,289 has not been explained or reconciled.
- ii. The statement of financial position reflects under non-current liabilities, Rift Valley Technical Training Institute (RVTTI) balance of Kshs.952,890. However, Note 41b discloses the balance under short term borrowings. Further, records provided indicates that RVTTI paid the amount directly to Kenya National Examinations Council and was refunded before the end of the year, thereby clearing the debt.
- iii. The statement of financial position reflects nil balance of receivables from non-exchange transactions. However, Note 28 to the financial statements discloses a balance of Kshs.10,316,879.

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

2. Inaccuracy of Property, Plant and Equipment

The statement of financial position reflects restated property, plant and equipment balance of Kshs.113,383,832. However, Note 31 to the financial statements discloses a balance of Kshs.53,685,574. Further, the supporting Journal voucher explaining the nature of the adjustment was not provided for verification.

In addition, the amount excludes the value of land and other assets received from the Ministry of Education - State Department for Vocational and Technical Training, which have not been valued and reflected in the financial statements.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.113,383,832 could not be confirmed.

3. Inaccuracy of Student Debtors

The statement of financial position reflects current portion of receivables from exchange transactions amount of Kshs.4,634,985 which includes student fee arrears of Kshs.826,720 due from former students. However, the Management has not provided evidence on measures taken to collect the debts. Further, the College has no policy on provision for bad and doubtful debts and has not provided for bad and doubtful debts.

In addition, ageing analysis of the outstanding debts was not provided for audit.

In the circumstances, the accuracy and collectability of current receivable from exchange transactions balance of Kshs.4,634,985 could not be confirmed.

4. Inaccuracy of Board Expenses

The statement of financial performance reflects board of governor's expenses of Kshs.861,000. However, the following anomalies were noted;

- i. Signed Board minutes were not provided for review;
- ii. Appointment letter for one (1) Member of the Board was not provided for verification;
- iii. The Board of Governors did not conduct an annual evaluation of its performance at the end of the period as required by Mwongozo guidelines;
- iv. Board calendar and Annual Work Plan was not provided;
- v. The Board operated without a board charter contrary to Mwongozo Regulations on Code of Governance for state corporations which requires that the Board of Directors develop and adopt a Board Charter which defines the roles, responsibilities and functions of the Board and periodically review its Charter.
- vi. The Board of Governors held only three (3) full Board meetings contrary to Mwongozo Governance Parameter 1.8(1)(b) which states that Board members should meet as regularly and at least quarterly in order to effectively lead the Organization.
- vii. All the seven (7) members of Board of Governors were appointed by the Cabinet Secretary for Education on the same date of 17 February, 2021 contrary to Section 7(2) of the second schedule of the Technical and Vocational Education and Training Act, 2013 which states that in appointing and reappointing members of the Board of Governors, the Cabinet Secretary shall stagger the commencement

dates of some members to maintain a proportion of new members that ensures continuity in the affairs of the Board of Governors.

- viii. None of the Board members had financial literacy with the necessary qualification and expertise in financial management.

In the circumstances, the accuracy, completeness and occurrence of the Board expenses of Kshs.861,000 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury and Planning Circular reference No. AG.4/16/3 Vol.II (66) dated 06 July, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters 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

Non-Compliance with the Law on Ethnic Composition

Review of personnel records revealed that the College had a total of twenty (20) employees out of which eighteen (18) or 90% of the staff were from the same ethnic community and the remaining two or 10% from other communities. This is contrary to

Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 that requires all public establishments to seek to represent the diversity of the people of Kenya in employment of staff and that no public establishment shall have more than one third of its establishment from the same ethnic community.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Staff Establishment

The College did not have an approved staff establishment to guide on the number and the cadres of staff the College is authorized to have against the actual establishment.

In the circumstances, the College does not have an optimal number of staff for its operations.

2. Lack of Human Resource Manual or Policy

The College did not have an approved Human Resource Policy Manual to guide on the employment of staff, considering the qualifications required for various job groups and the progression of staff.

In the circumstances, the College is not able to apply the guidance reflected in the Human Resource Policy manual in the absence of one.

3. Preparation of Payroll without Job Groups

Review of the payrolls for the financial year revealed that the employees of the College were not placed in specified job groups or salary scales.

In the circumstances, the College may be paying salaries that are not commensurate with the job group or salary scales.

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

Responsibilities of Management and the Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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 overall 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 control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of 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 policies and procedures may deteriorate.


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

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

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

I communicate with 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

19 May, 2023

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

Description	Notes	2021-2022	Restatement	2020-2021
		Kshs		Kshs
Revenue from Non-Exchange transactions				
Transfers from other National Government entities	6	4,007,500		1,242,500
Grants from donors and development partners	7	0		0
Transfers from other levels of government	8	6,309,379		2,498,240
Public contributions and donations	9	0		0
Revenue from Exchange transactions				
Rendering of services- fees from students	10	8,139,430		4,112,540
Sale of goods	11	0		0
Rental revenue from facilities and equipment	12	0		0
Finance income	13	0		0
Other income	14	0		0
Revenue from Exchange transactions		8,139,430		4,112,540
Total Revenue		18,456,309		7,853,280
Expenses				
Use of goods and services	15	5,559,654		3,091,488
Employee costs	16	3,407,366		939,430
Board of Governors Expenses	17	861,000		196,000
Depreciation and amortization expense	18	1,623,261		1,834,803
Repairs and maintenance	19	371,090		87,420
Contracted services	20	0		0
Grants and subsidies	21	0		0
Finance costs	22	0		3175
Total Expenses		11,822,371		6,152,316
Other Gains/(Losses)				
Gain on sale of assets	23	0		0
Unrealized gain on fair value of investments	24	0		0
Impairment loss	25	0		0
Total Other Gains/(Losses)		0		0
Net surplus for the year		6,633,938		1,700,964
Attributable to:				
Surplus/(deficit) attributable to minority interest				
Surplus attributable to owners of the controlling entity				

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

(The notes set out on pages 9 to 54 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 01 to 07 were signed by:



.....
Chairman of Board of Finance Officer
Governors

Date: 05th May 2023



ICPAK No:26731

Date: 05th May 2023



.....
Principal

Date: 05th May 2023

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

Description	Notes	2021-2022	Restated amount	2020-2021
		Kshs		Kshs
Assets				
Current Assets				
Cash and cash equivalents	26	2,789,607		896,697
Current portion of receivables from exchange transactions	27(a)	4,634,985		3,519,561
Receivables from non-exchange transactions	28	0		0
Inventories	29	4,035,167		1,269,050
Investments	30	0		0
Non-Current Assets				
Long term receivables from exchange transactions	27(b)	0		0
Investments	30	0		0
Property, plant, and equipment	31	53,685,574	113,383,832	111,972,059
Intangible assets	32	0		0
Investment property	33	0		0
Total Assets		65,145,333		119,069,140
Liabilities				
Current Liabilities				
Trade and other payables from exchange transactions	34	2,171,967		2,270,380
Refundable deposits from customers	35	0		13,000
Current provisions	36	0		0
Finance lease obligation	37	0		0
Current portion of borrowings	41	0		0
Deferred income	38	0		0
Employee benefit obligation	39	0		0
Payments received in advance				
Non-Current Liabilities				
Finance lease obligation	37	0		0
Deferred income	38	0		0
Non-Current Employee Benefit Obligation	39	0		0

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

Description	Notes	2021-2022	Restated amount	2020-2021
		Kshs		Kshs
Non-Current Provisions	40	0		0
Rift Valley Technical Training Institute.	41	952,890		0
Service Concession Liability	42	0		0
Deferred Tax Liabilities	49	0		0
Total Liabilities				
Net Assets				
Reserves				
Accumulated Surplus		8,334,902		1,700,864
Capital Fund		53,685,574	124,077,113	115,084,796
Total Net Assets and Liabilities		65,145,333		119,069,140

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



.....
Chairman of Board of Governors

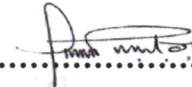
Date: 05th May 2023



.....
Finance Officer

ICPAK No: 26731

Date: 05th May 2023



.....
Principal

Date: 05th May 2023

**Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022**

XV. Statement of Changes in Net Asset for the year ended 30 June 2022

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	0	0	0	0	0
Revaluation gain	0	-	-	-	0
Fair value adjustment on quoted investments	-	0	-	-	0
Total comprehensive income	-	1,700,964	0	-	1,700,964
Capital/development grants received during the year	-	-	-	115,218,635	115,218,635
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	0	0	0
At June 30, 2021	0	1,700,964	0	115,218,635	116,919,599
At July 1, 2021	0	1,700,964	0	115,218,635	116,919,599
Revaluation gain	0	-	-	-	0
Fair value adjustment on quoted investments	-	0	-	-	0
Total comprehensive income	-	6,633,938	0	-	6,633,938
Capital/development grants received during the year	-	-	-	53,685,574	53,685,574
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	0	0	-
At June 30, 2022	0	8,334,902	0	53,685,574	62,020,476

N/B: The figure 116,919,599 has been restated down words because it included the value of land amounting to 60,000,000. During the year land had not been valued and the college had no title deed and the figure was based on estimated value as per the current market value

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

Description		2021-2022	2020-2021
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants		10,316,879	3740740
Public contributions and donations		0	0
Rendering of services- fees from students		1,775,141	4112540
Sale of goods		0	0
Rental revenue from facilities and equipment		0	0
Finance income		0	0
Other income		0	0
Total Receipts		12,082,020	7,853,280
Payments			
Compensation of employees		3,407,366	939,430
Use of goods and services		5,559,654	3,091,488
Finance cost		0	0
B.O.D Expenses		861,000	0
Taxation paid		0	0
Other payments		371,090	286,595
Grants and subsidies paid			
Total Payments		10,199,110	4,317,513
Net Cash Flows from operating activities	43	1,892,910	3,535,767
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		0	0
Proceeds from sale of property, plant and equipment		0	0
Net cash flows used in investing activities		0	(2,326,185)
Cash flows from financing activities			
Proceeds From Borrowing		0	0
Repayment Of Borrowings		0	(312,885)
Deposits receipts		0	0
Net cash flows used in financing activities		0	(312,885)
Net Increase/(Decrease) in Cash and Cash equivalents		1,892,910	896,697
Cash and Cash equivalents at 1 JULY	26	896,697	896,697
Cash and Cash equivalents at 30 JUNE	26	2,789,607	896,697

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

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



.....
**Chairman of Board of
Governors**

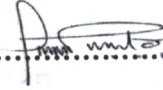
Date: 05th May 2023



.....
Finance Officer

ICPAK No:26731

Date: 05th May 2023



.....
Principal

Date: 05th May 2023

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

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

Description	Original budget 2021-2022	Adjustments 2021-2022	Final budget 2021-2022	Actual on comparable basis 2021-2022	Performance difference 2021-2022	Utilization Difference 2021-2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other govt entities and govt grants	5,700,000	0	5,700,000	4,007,500	1,692,500	309%
Public contributions and donations	0	0	0	0	0	0%
Rendering of services- fees from students	5,019,800	0	5,019,800	8,139,430	-3,119,630	(62) %
Sale of goods	0	0	0	0	0	0%
Finance income	0	0	0	0	0	0%
Other income	0	0	0	0	0	0%
Gains on disposal, rental income and agency fees	0	0	0	0	0	0%
Total Income	10,719,800	0	10719,800	12,146,930	-1,427,130	-13%
Expenses						
Compensation of employees	4,402,932	0	4,402,932	3,407,366	1,995,566	239%
Use of goods and services	1,797,610	0	1,797,610	5,559,654	3,762,044	(209) %
Finance costs	0	0	0	0	0	0%
Rent paid	0	0	0	0	0	0%
Remuneration of directors	552,000	0	552,000	861,000	309,000	(56) %
Repairs maintenance and Improvement	1,318,870	0	1,318,870	371,090	947,780	72%
Total Expenditure	8,071,412	0	8,071,412	10,199,110	2,127,698	(-26) %
Surplus For the Period	2,648,388		2,648,388	1,947,820	700,568	26%

(Budget notes)

- Under IPSAS 24.14 There were over or under expenditures in the 2021-2022 Financial year i.e.; Under use of goods there was an over expenditure of up to 209%. The over expenditure was due to the cost of training materials which was much affected by students not paying fees thus causing a deficit in the budget.
- Also, under Bog expense the was an over expenditure of over 56% of the allocated amount. This hike was due to mandatory induction organised by Kenya Association of Technical Training Colleges for the newly inaugurated Boards in new Colleges.
- The budget was adversely affected by lack remittance of capitation by government and also students not being able to honour their obligation on fee payment.

XVIII. Notes to the Financial Statements

1. General Information

Turbo Technical and Vocational College is established by and derives its authority and accountability from TVET 2013 Act. Turbo Technical and Vocational College is wholly owned by the Government of Kenya and is domiciled in Kenya. Turbo Technical and Vocational College's principal activity is to be an exemplary regional and global TVET Centre in research and innovation.

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 Turbo Technical and Vocational College's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Turbo Technical and Vocational College.

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.

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

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

Standard	Effective date and impact:
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 an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>The impact of the IPSAS to Turbo Technical and Vocational College has been largely felt due to enhanced reporting standards in presentation of financial statements.</p>

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

Standard	Effective date and impact:
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by Turbo Technical and Vocational College;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on Turbo Technical and Vocational College’s financial performance, financial position and cash flows.</p> <p>The template is user friendly</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i>

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

iii. Early adoption of standards

Turbo Technical and Vocational College did not early-adopt any new or amended standards in year 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

Turbo Technical and Vocational College recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or Turbo Technical and Vocational College's right to receive payments is established.

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Board on *28th June 2021*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Turbo Technical and Vocational College upon receiving the respective approvals in order to conclude the final budget. Accordingly, Turbo Technical and Vocational College record additional appropriations of *2,449,400 ksh* on the FY 2021/2022 budget following the Board's approval.

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

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

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

c) Taxes

Current income tax

Turbo Technical and Vocational College is exempt from paying taxes as per schedule *six* of the *income tax* Act.

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

d) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 27.5 years.

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

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

e) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

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

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

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

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

g) Intangible assets

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

h) Research and development costs

Turbo Technical and Vocational College expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Turbo Technical and Vocational College can demonstrate:

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

j) Inventories

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of Turbo Technical and Vocational College.

k) Provisions

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

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

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

Contingent liabilities

Turbo Technical and Vocational College 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

Turbo Technical and Vocational College 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 Turbo Technical and Vocational College in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

Turbo Technical and Vocational College creates and maintains reserves in terms of specific requirements.

m) Changes in accounting policies and estimates

Turbo Technical and Vocational College recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

n) Employee benefits

Retirement benefit plans

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

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

o) Foreign currency transactions

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

p) Borrowing costs

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

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

r) Service concession arrangements

Turbo Technical and Vocational College 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, Turbo Technical and Vocational College 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, Turbo Technical and Vocational College also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of Turbo Technical and Vocational College'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. Turbo Technical and Vocational College 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 Turbo Technical and Vocational College. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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

Currently Turbo Technical has no debt policy and we are working towards completing since it is still in its draft form.

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	3,007,500	500,000
Operational Grant	1,000,000	742,500
Other Grants	0	0
	0	0
Conditional Grants		
Library Grant	0	0
Hostels Grant	0	0
Administration Block Grant	0	0
Laboratory Grant	0	0
Learning Facilities Grant	0	0
Other Organizational Grants	0	0
Total Government Grants and Subsidies	4,007,500	1,242,500

(a) Transfers from other Government entities (Categorized)

Name Of Turbo Technical and Vocational College Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund. Kshs	Total grant income during the year Kshs	2020-2021 Kshs
Uasin Gishu County	2,770,680	0	0	2,770,680	0
Other government level	2,850,869	0	0	2,850,869	2,498,240
Other Institutions	687,830	0	0	687,830	0
Total	6,309,379	0	0	6,309,379	2,498,240

Notes to the Financial Statements (Continued)

7. Grants from Donors and Development Partners

Description	2021-2022	2020-2021
	Kshs	Kshs
JICA- Research Grant	0	0
World Bank Grants	0	0
In-Kind Donations	0	0
Other Grants	0	0
Total Grants from Development Partners	0	0

Reconciliations of grants from donors and development partners

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Conditions Met - Transferred to Revenue	0	0
Conditions Yet To Be Met - Remain Liabilities	0	0

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Description	2021-2022	2020-2021
Transfer from County -Uasin Gishu	0	0
Transfer from HELB and CDF	0	2,498,240
Transfer from Rift Valley Training Institute	0	0
Total Transfers		

9. Public Contributions and Donations

Description	2021-2022	2020-2021
	Kshs	Kshs
Public Donations	0	0
Donations from Local Leadership	0	0
Donations from Religious Institutions	0	0
Donations from Alumni	0	0
Other Donations	0	0
Total Donations and Contributions	0	0

Notes to the Financial Statements (Continued)

10. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Fees	8,139,430	3,618,500
Activity Fees	0	0
Industrial Attachment Fees	0	0
Examination Fees	0	494,040
Library Fees	0	0
Facilities And Materials	0	0
Registration Fees	0	0
Others (<i>Specify</i>)	0	0
Total Revenue from The Rendering of Services	8,139,430	4,112,540

11. Sale of Goods

Description	2021-2022	2020-2021
	Kshs	Kshs
Sale of Books	0	0
Sale of Publications	0	0
Sale of Farm Produce	0	0
Cafeteria sales	0	0
Other	0	0
Total Revenue from Sale of Goods	0	0

12. Rental revenue from facilities and equipment

Description	2021-2022	2020-2021
	Kshs	Kshs
Hire of Facilities and Equipment		
Contingent Rental	0	0
Operating Lease Revenue		
Total	0	0

Notes to the Financial Statements (Continued)

13. Finance Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Cash investments and fixed deposits	0	0
Interest income from treasury bills	0	0
Interest income from treasury bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	0	0

14. Other Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Insurance recoveries	0	0
Consultancy fees	0	0
Income from sale of tender	0	0
Services concession income	0	0
Reimbursements and refunds	0	0
Graduation fees	0	0
Miscellaneous (<i>specify</i>)	0	0
Total other income	0	0

Notes To the Financial Statements (Continued)

15. Use Of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Teaching and learning materials	3,713,279	805,953
Industrial attachment costs	0	0
Electricity	292,505	54,955
Water	0	0
Security	0	0
Professional and consultancy services		0
Subscriptions	217,218	0
Advertising	56,580	80,330
Examination fees	952,890	494,040
Audit fees	12,101	0
Catering, conferences, and delegations	0	0
Travelling and accommodation	187,405	114,619
Activity	15,000	0
Insurance	0	0
Legal expenses	0	0
Licenses and permits	0	0
Postage	0	0
Printing and stationery	0	0
Bank charges	12,926	0
Rent expenses	0	0
Skills development levies	0	0
Telephone expenses	99,750	28,796
Internet expenses	0	0
Training expenses	0	0
Other (<i>specify</i>)	0	0
Total good and services	5,559,654	3,091,488

Notes to the Financial Statements (Continued)

16. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	3,089,110	864,880
Employee related costs - contributions to pensions and medical aids	318,256	74,550
Travel, motor car, accommodation, subsistence and other allowances	0	0
Housing benefits and allowances	0	0
Overtime payments	0	0
Performance and other bonuses	0	0
Social contributions	0	0
Employee Costs	3,407,366	939,430

17. Board of Governors Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Chairman's Honoraria	0	0
Directors Emoluments	861,000	196,000
Other Allowances	0	0
Other Board of Governors Expenses	0	0
Total	861,000	196,000

18. Depreciation and Amortization expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	1,623,261	1,834,803
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	1,623,261	1,834,803

19. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Property	0	0
Investment property – earning rentals	0	0
Equipment and machinery	371,090	87,420
Vehicles	0	0
Furniture and fittings	0	0
Computers and accessories	0	0
Total Repairs and Maintenance	371,090	87,420

Notes to the Financial Statements (Continued)

20. Contracted Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Actuarial valuations	0	0
Investment valuations	0	0
Property valuations	0	0
Total contracted services	0	0

21. Grants and Subsidies

Description	2021-2022	2020-2021
	Kshs	Kshs
Community Development	0	0
Education Initiatives and Programs	0	0
Social Development	0	0
Community Trust	0	0
Sporting Bodies	0	0
Total Grants and Subsidies	0	0

22. Finance Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Borrowings (Amortized Cost)*	0	0
Finance Leases (Amortized Cost)	0	0
Unwinding of Discount	0	0
Interest on Bank Overdrafts	0	0
Interest on Loans from Commercial Banks	0	0
Total Finance Costs	0	0

23. Gain On Sale of Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
Other Assets not capitalised	0	0
Total Gain On Sale of Assets	0	0

Notes to the Financial Statements (Continued)

24. Unrealized Gain on Fair Value Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Investments at Fair Value	0	0
Total Gain	0	0

25. Impairment Loss

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
Total Impairment Loss	0	0

26. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account	2,789,607	896,697
On - Call Deposits		
Fixed Deposits Account		
Staff Car Loan/ Mortgage		
Others (Specify)		
Total Cash and Cash Equivalents	2,789,607	896,697

Notes To The Financial Statements (Continued)

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

		2021-2022	2020-2021
Financial Institution	Account number	Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		2,789,607	896,697
Equity Bank, etc.		0	0
Sub- Total		2,789,607	896,697
b) On - Call Deposits			
Kenya Commercial Bank		0	0
Equity Bank – etc.		0	0
Sub- Total		0	0
c) Fixed Deposits Account			
Kenya Commercial Bank		0	0
Bank B		0	0
Sub- Total		0	0
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		0	0
Bank B		0	0
Sub- Total		0	0
e) Others(Specify)		0	0
Cash in Transit		0	0
Cash in Hand		0	0
Mobile Money account		0	0
Sub- Total		0	0
Grand Total		2,789,607	896,697

Notes to the Financial Statements (Continued)

27. Receivables from Exchange transactions

27(a) Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student Debtors	4,634,985	3,519,561
Rent Debtors	0	0
Consultancy Debtors	0	0
Other Exchange Debtors	0	0
Less: Impairment Allowance	(0)	(0)
Total Current Receivables	4,634,985	3,519,561

27(b) Long-term Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	0	0
Advance Payments	0	0
Public Organizations	0	0
Less: Impairment Allowance	(0)	(0)
Total	0	0
Current Portion Transferred To Current Receivables	(0)	(0)
Total Non-Current Receivables	0	0
Total Receivables	0	0

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

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	0	0
Provisions during the year	0	0
Recovered during the year	(0)	(0)
Write offs during the year	(0)	(0)
At the end of the year	0	0

Notes to the Financial Statements (Continued)

28. Receivables from Non-Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Capitation Grants*	4,007,500	0
Transfers from Other Govt. entities	6,379,262	0
Undisbursed Donor Funds		
Other Debtors (Non-Exchange Transactions)		
Less: Impairment Allowance	(0)	(0)
Total Current Receivables	10,316,879	0

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

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	0	0
Additional provisions during the year	0	0
Recovered during the year	(0)	(0)
Written off during the year	(0)	(0)
At the end of the year	0	0

29. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores	0	0
Maintenance stores	4,035,167	1,269,050
Health Unit stores	0	0
Electrical stores	0	0
Cleaning Materials stores	0	0
Catering stores	0	0
Total Inventories at lower of Cost and Net Realizable Value	4,035,167	1,269,050

Notes to the Financial Statements (Continued)

30. Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	0	0
CBK	0	0
Sub- Total	0	0
b) Investment with Financial Institutions/ Banks		
Bank X	0	0
Bank Y	0	0
Sub- Total	0	0
c) Equity Investments (Specify)		
Equity/ Shares in Company 0	0	0
Sub- Total	0	0
Grand Total	0	0

d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding			
	%	%	%	Kshs	Kshs	Kshs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
	0	0	0	0	0	0

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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation	2.5%	0.25	0.125	0.333	30%	12.5%	0	
Impairment	And							
At 1 July 2021	53,386,310	0	1,491,000	141,950	0	199,375	0	55,218,635
Additions	0	0	0	90,200	0	0		90,200
Disposals	(0)	(0)	-	-	(0)	-	(0)	(0)
Transfers/Adjustments	0	(0)	0	(0)	(0)	-	0	(0)
At 30th June 2022	53,386,310	0	1,491,000	232,150	0	199,375	0	55,308,835
Additions	0	0	0	-	0	0	0	0
Disposals	(0)	-	-	-	(0)	-	(0)	(0)
Transfer/Adjustments	(0)	0	0	(0)	(0)	-	0	(0)
At 30th June 2022	53,386,310	0	1,491,000	141,950	0	199,375	0	55,308,835
At 1 July 2021	1,404,903	0	248,500	141,950	0	79,750	0	1,834,803
Depreciation	1,333,648	0	186,375	77,306	0	24,922	0	1,623,261
Impairment	(0)	-	-	-	(0)	-	-	(0)
At 30 June 2022	2,738,551	0	434,875	219,256	0	104,672	0	3,458,064
Depreciation	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)
Disposals	0	-	-	-	0	-	0	0
Impairment	(0)	(0)	-	-	(0)	-	-	(0)

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	Land and Buildings	Motor Vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Impairment	2.5%	0.25	0.125	0.333	30%	12.5%	0	
Transfer/Adjustment	0	(0)	(0)	0	(0)	-	(0)	0
At 30th June 2021	0	0	0	0	0	0	0	0
Net Book Values								
At 30th June 2021	53,386,310	0	1,491,000	141,950	0	199,375	0	55,218,635
At 30th June 2022	52,051,652	0	1,304,625	154,844	0	174,453	0	53,685,574

N/B: There was no work in progress for the year under considerations.

The value of Land was not captured in PPE schedule since it has not been valued and has no title deed.

During the year plant and equipment's from the ministry were not valued and was not included in the schedule until the original value is given by the Ministry.

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Notes to the Financial Statements (Continued)

Valuation

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

31 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	0	0	0
Buildings	53,386,310	1,333,648	52,051,652
Plant And Machinery	1,491,000	186,375	1,304,625
Motor Vehicles including Motorcycles	0	0	0
Computers and Related Equipment	232,150	77,306	154,844
Office Equipment, Furniture, And Fittings	199,375	24,922	174,453
Total	55,218,635	1,623,261	53,685,574

32. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At beginning of the year	0	0
Additions	0	0
At end of the year	0	0
Additions–internal development	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

Notes to the Financial Statements (Continued)

33. Investment Property

Description	2021-2022	2020-2021
	Kshs	Kshs
At beginning of the year	0	0
Additions	0	0
Disposal during the year	(0)	(0)
Depreciation	(0)	(0)
Impairment	(0)	(0)
At end of the year	0	0

34. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	1,973,718	2,266,634
Fees paid in advance	198,249	3,746
Salary deductions	0	0
Third-Party Payments	0	0
Other Payables	0	0
Total Trade and Other Payables	2,171,967	2,270,380

35. Refundable Deposits from Customers/Students

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumer deposits	0	0
Caution money	0	13,000
Other refundable deposits	0	0
Total Deposits	0	13,000

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Notes to the Financial Statements (Continued)

36. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	
Balance at The Beginning Of The Year	0	0	0	0	0
Additional Provisions	0	0	0	0	0
Provision Utilised	(0)	(0)	(0)	(0)	(0)
Change Due To Discount And Time Value For Money	(0)	(0)	(0)	(0)	(0)
Transfers From Non -Current Provisions	0	0	0	0	0
Total Provisions	0	0	0	0	0

37. Finance Lease Obligation

Description	2021-2022	2020-2021
	Kshs	Kshs
At the start of the year	0	0
Discount interest on Lease Liability	0	0
Paid during the year	(0)	(0)
At end of the year	0	0

Maturity Analysis

Period	Amount
	Kshs
Year 1	0
Year 2	0
Year 3	0
Year 4	0
Year 5 and Onwards	0
Less: Unearned Interest	(0)
	0

Notes to the Financial Statements (Continued)

Analysed as:

Description	Amount
	Kshs
Current	0
Non- Current	0
Total	0

38. Deferred Income

Description	2021-2022	2020-2021
	Kshs	Kshs
National Government	0	0
International Funding Bodies	0	0
Public Contributions and Donations	0	0
Total Deferred Income	0	0

The deferred income movement is as follows:

Description	National government	International funders/ donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	0	0	0	0
Additions during the year	0	0	0	0
Transfers to capital fund	(0)	(0)	(0)	(0)
Transfers to income statement	(0)	(0)	(0)	(0)
Other transfers	(0)	(0)	(0)	(0)
Balance carried forward	0	0	0	0

Analysed as:

Description	Amount
	Kshs
Current	0
Non- Current	0
Total	0

Notes to the Financial Statements (Continued)

39. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2021-2022	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
Total Employee Benefits Obligation	0	0	0	0	0

Retirement benefit Asset/ Liability

Turbo Technical and Vocational College does not operate a defined benefit scheme for all full-time employees.

Description	2021-2022	2020-2021
	Kshs	Kshs
Discount Rates	0%	0%
Future Salary Increases	0%	0%
Future Pension Increases	0%	0%
Mortality (Pre- Retirement)	0%	0%
Mortality (Post- Retirement)	0%	0%
Withdrawals	00	00
Ill Health	00	00
Retirement	00 years	00 years

Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

	2021-2022	2020-2021
Description	Kshs	Kshs
The return on defined plan assets	0	0
Actuarial gains/ losses arising from changes in demographic assumptions	0	0
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	0	0
Actuarial gains and losses arising from experience adjustments	0	0
Others (<i>specify</i>)	0	0
Adjustments for restrictions on the defined benefit asset	0	0
Remeasurement of the net defined benefit liability (asset)	0	0

b) Amounts recognised in the Statement of Financial Position

	2021-2022	2020-2021
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	0	0
Fair value of plan assets(b)	(0)	(0)
Funded status(=a-b)	0	0
Restrictions on asset recognised	0	0
Others	0	0
Net asset or liability arising from defined benefit obligation	0	0

Turbo Technical and Vocational College also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. Turbo Technical and Vocational College's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 300 per employee per month. Employees contribute 1.5% while employers contribute 1.5% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Notes To The Financial Statements (Continued)

40. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	0	0	0	0	0
Additional Provisions	0	0	0	0	0
Provision utilised	(0)	(0)	(0)	(0)	(0)
Change due to discount and time value for money	0	0	0	0	0
Less: Current portion	(0)	(0)	(0)	(0)	(0)
Total deferred income	0	0	0	0	0

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

41. Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance at beginning of the year	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the year	(0)	(0)
Repayments of domestic borrowings during the year	(0)	(0)
Balance at end of the year	0	0

41 a) Analysis of External and Domestic Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	0	0
Sterling pound denominated loan from 'yyy organization'	0	0
Euro denominated loan from zzz organization'	0	0
Domestic borrowings		
Kenya shilling loan	0	0
Total balance at end of the year	0	0

Notes to the Financial Statements (Continued)

41 b) Breakdown of Long and Short-Term Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Short Term Borrowings (Current Portion)	952,890	0
Long Term Borrowings	0	0
Total	952,890	0

42. Service Concession Arrangements

Description	2021-2022	2020-2021
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	(0)	0
Net carrying amount	<u>0</u>	<u>0</u>
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	(0)	(0)
Service concession liability at end of the year	<u>0</u>	<u>0</u>

Notes to the Financial Statements (Continued)

43. Cash generated from operations

	2021-2022	2020-2021
Surplus for the year before tax	Kshs	Kshs
Adjusted for:		
Depreciation	0	0
Non-Cash grants received	(0)	(0)
Contributed assets	(0)	(0)
Impairment	0	0
Gains and Losses on Disposal of Assets	(0)	(0)
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Finance Income	(0)	(0)
Finance Cost	0	0
Working Capital Adjustments		
Increase in Inventory	(0)	(0)
Increase in Receivables	(0)	(651,913)
Increase in Deferred Income	0	0
Increase in Payables	0	(1,674,272)
Increase in Payments received in advance	(0)	0
Net Cash Flow from Operating Activities	0	(2,326,185)

44. Financial Risk Management

Turbo Technical and Vocational 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.

Turbo Technical and Vocational College's financial risk management objectives and policies are detailed below:

(i) Credit risk

Turbo Technical and Vocational 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

Notes to the Financial Statements (Continued)

the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing Turbo Technical and Vocational 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	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 2022				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

44. Financial Risk Management (Continued)

(i) Credit risk (continued)

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

Turbo Technical and Vocational College has significant concentration of credit risk on amounts due from student's fee.

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

Notes to the Financial Statements (Continued)

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

Description	Less than 1	Between 1-3	Over 5	Total
	month	months	months	
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	xxx	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0
At 30 June 2022				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0

44. Financial Risk Management (Continued)

(iii) Market risk

Turbo Technical and Vocational College has put in place an internal audit function to assist it in assessing the risk faced by Turbo Technical and Vocational 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 Turbo Technical and Vocational 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 optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

Turbo Technical and Vocational 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 Turbo Technical and Vocational College's exposure to market risks or the manner in which it manages and measures the risk.

Notes to the Financial Statements (Continued)

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2022			
Financial Assets (Investments, Cash, Debtors)	0	0	0
Liabilities			
Trade and Other Payables	0	0	0
Borrowings	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Turbo Technical and Vocational College manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

44. Financial Risk Management (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30th June 2022			
Financial Assets (Investments, Cash, Debtors)	0	0	0
Liabilities			
Trade and Other Payables	0	0	0
Borrowings	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	xxx

a) Foreign currency sensitivity analysis

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

Notes to the Financial Statements (Continued)

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2021			
Euro	10%	0	0
Usd	10%	0	0
20xx			
Euro	10%	0	0
Usd	10%	0	0

b) Interest rate risk

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

Management of interest rate risk

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

44 Financial Risk Management (Continued)

(iii) Market risk (Continued)

b) Interest rate risk(continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 (2022: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2022 – Kshs 0)

Notes To The Financial Statements (Continued)

iv)Capital Risk Management

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	0	0
Capital Reserve	0	0
Total Funds	0	0
Total Borrowings	0	0
Less: Cash and Bank Balances	(0)	(0)
Net Debt/(Excess Cash and Cash Equivalents)	0	0
Gearing	0%	0%

45. Related Party Balances

Nature of related party relationships

Entities and other parties related to Turbo Technical and Vocational 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.

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) County Government – Uasin Gishu
- iv) NGCDF
- v) Other Sponsorships
- vi) Key management;
- vii) Board of directors;

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Notes to the Financial Statements (Continued)

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0	0
Rent income from govt. agencies	0	0
Water sales to govt. agencies	0	0
Others (<i>specify</i>)	0	0
Total	0	0
B) Purchases from related parties		
Purchases of electricity from kplc	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. agencies	0	0
Others (<i>specify</i>)	0	0
Total	0	0
b) Grants /Transfers from the Government		
Grants from National Govt	0	0
Grants from County Government	0	0
Donations in Kind	0	0
Total	0	0
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	0	0
Payments for Goods and Services for XX	0	0
Total		
d) Key Management Compensation		
Directors' emoluments	0	0
Compensation to Key Management	0	0
Total	0	0

46. Segment Information

Notes to the Financial Statements (Continued)

47. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0	0
Assets arising from determination of Court Cases	0	0
Reimbursable Indemnities and Guarantees	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

Contingent Liabilities

Description	2021-2022	2020-2021
	Kshs	Kshs
Contingent Liabilities	0	0
Court Case 0 against (<i>Turbo Technical and Vocational College</i>)	0	1
Bank guarantees in favour of subsidiary	0	0
Contingent liabilities arising from Contracts including PPPs	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

(Give details)

48. Capital Commitments

Capital Commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorized for	0	0
Authorized and Contracted for	0	0
Total	0	0

Notes to the Financial Statements (Continued)

49. Deferred Tax Liability

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Accelerated Capital Allowances	0	0
Unrealized Exchange Gains/(Losses)	0	0
Revaluation Surplus	0	0
Tax Losses carried forward	(0)	(0)
Provisions for Liabilities and Charges	(0)	(0)
Net Deferred Tax Liability/(Asset)	0	0
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	0	0
Credit to revaluation reserve	(0)	(0)
Under provision in prior year	0	0
Income statement charge/(credit)	0	0
Balance at end of the year	0	0

50. Events After The Reporting Period

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

51. Ultimate And Holding Entity

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

52. Currency

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

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**XIX. Appendices
Appendix 1: Implementation Status of Auditor-General Recommendations**

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

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

Guidance Notes:

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


Name: Mr. Bonface L. Stedi
Accounting Officer
(Principal/Secretary B.O.G)
Date 05th May 2023

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Appendix II: Projects Implemented by (Turbo Technical and Vocational College)

Projects

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

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

Status of Projects completion

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

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

Not applicable. Currently there are no projects at Turbo Technical and Vocational College.

Appendix IV: Reporting of Climate Relevant Expenditures

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

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

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

Not applicable. There was no climate Relevant expenditure

Appendix V: Disaster Expenditure Reporting Template

Date:							
Entity							
Period to which this report refers (FY)	Year	Quarter					
Name of Reporting Officer							
Contact details of the reporting officer:	Email	Telephone					
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII	
Programme	Sub-programme	Disaster Type	Category of disaster related expenditure require (response/recovery/mitigation/preparedness)	Activity that reporting (preparedness)	Expenditure item	Amount (Kshs.)	Comments

Not applicable. There were no disasters during the year in consideration