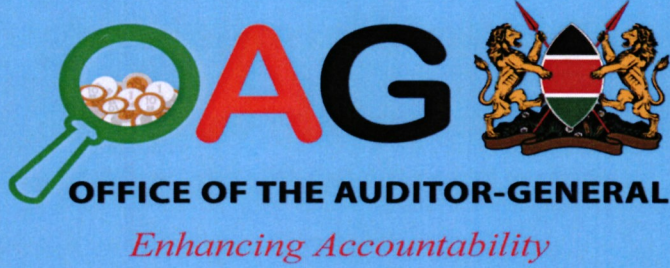


REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

REPORT

DATE: 25 JUL 2023

TUESDAY

TABLED
BY: OF

HON. Naomi Wago, MP
Deputy Majority Whip
Anne Shubuko

CLERK AT
THE TABLE:

THE AUDITOR-GENERAL

ON

CHANZEYWE TECHNICAL AND VOCATIONAL
COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2022



10 JUN 2023
d



**CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector

Accounting Standards (IPSAS)

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE 2022

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CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE 2022

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Chanzeywe TVC was incorporated/ established under the TVET Act, 2013 Section 20 (1) on 28th January 2021. The entity is domiciled in Kenya and has no branches. The institute is under the Ministry of Education.

The college has 5 admitting departments, ICT, Institutional Management, Liberal Studies, Electrical and Electronics and Hairdressing. The college has a teaching staff of 12, non-teaching staff of 8 and a student population of 123.

(b) Principal Activities

Institute Vision

To be a centre of excellence in innovation, technical training and research

Institute Mission

To train and produce responsible, innovative, skilled and knowledgeable manpower in Technical and business disciplines for the local and international market

Institute Motto

Training for Quality Skills

Core Objectives

Good governance, Integrity, Customer Focus, Linkages and collaboratio

(c) Key Management

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

- Board of Governors
- Accounting Officer/Principal
- Heads of Departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Ms. Adilla Anyanzwa
2.	Deputy principal	Mr. Moses Omuga Mayoya
3.	Accountant	Mr. Patrick Ochoka
4.	Procurement officer	Ms. Josephine Akinyi
5.	Ag. Registrar	Cynthia Agonya
6.	Ag. Dean of Students	Linda Madzanza

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE 2022

(e) Fiduciary Oversight Arrangements

Audit Committee activities

- Annual audit-where CTVC will conduct at least one audit during each calendar year
- Continues audit-in lieu of performing annual audit, CTVC may adopt/arrange discrete continuous internal/external audit and such audit will be entrenched in the minutes of the board.
- Fiduciary audit committee-it will consist of 3 members where the internal auditor shall be the secretary. The principal is not a member of this committee and a member of any other sub-committee of the BOG shall not be a member.

Development partner oversight activities

- Budgeting
- Memorandum of understanding drafting
- Revision of the budget
- Reporting-narrative and financial
- Verification

Other oversight activities

- Third party information
- News from State comptroller for unclaimed funds, retirement, agencies, vendors, reports, career opportunities, intergovernmental and community affairs.

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE 2022

(f) Entity Headquarters

P.O. BOX 413-50310
VIHIGA

(g) Entity Contacts

Telephone: (254) 740932743
E-mail: chanzeywetvc@gmail.com
Website www.chanzeywetechnical.ac.ke

(h) Entity Bankers

Kenya commercial Bank
Mbale Branch
P.O. Box 6

(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

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE 2022

II. BOARD OF GOVERNORS

No.	Member/ Director	Details
1.	Ms JUDITH OGUGE	Date of Birth: Key Qualifications: Bachelor of Law Work Experience: Member : Chairperson of the Board of Governor
2.	MR CHARLES OMEGA	Date of Birth: Key Qualifications: B.COM, CPAK Work Experience: Over 25 years Financial Management, Leadership. Member : Chair of the Finance Committee
3.	DR EVANS MUTUVA	Date of Birth : Key Qualifications: PHD Leadership and Management Work Experience: Member : Chair of Audit and Risk Management Committee
4.	DR HILDA MAKHAMARA	Date of Birth :1963 Key Qualifications: PHD HR Management Work Experience: Over 10yrs Member : ED Training and Audit Committees
5.	ENG. RAMADHAN BUTICHI	Date of Birth : Key Qualifications: Bachelor of Science, Civil Engineering Work Experience: Member :
6.	MR CALEB BARASA	Date of Birth: Key Qualifications: Bachelor Business Information Science,ICT Work Experience: Member : Finance and Ed Training Committees
7.	FREDRICK KIBIGO MMENE	Date of Birth: 1954 Key Qualifications: Bachelor of Commerce Work Experience: Chief Accountant, Internal Auditor, Financial Controller Member : Audit Committee
8.	ADILLA ANYANZWA	Date of Birth: 1971 Key Qualifications: Masters in Education Work Experience: 26 years Member : Finance Committee , Ed Training & Research Committee

III. MANAGEMENT TEAM

No.	Member/ Director	Details
1.	MS. ADILLA ANYANZWA	PRINCIPAL
2.	MR. MOSES OMUGA MAYOYA Date of Birth: 1979 Key Qualifications: Mathematics Trainer Work Experience: 17 years	DEPUTY PRINCIPAL
3.	MR. PATRICK OCHOKA Date of Birth: 1973 Key Qualifications: CPA Part 3, Section 5 Work Experience: 25 years	ACCOUNTANT
4.	MRS. CYNTHIA AGONYA Date of Birth: 1989 Key Qualifications: Trainer Food and Beverage Work Experience: 1 year	Ag. REGISTRAR
5.	MS. LINDA MADZANZA Date of Birth: 1990 Key Qualifications: ICT Trainer Work Experience: 1 year	Ag. DEAN OF STUDENTS

IV. CHAIRPERSON'S STATEMENT

The Board was appointed by the Cabinet Secretary for Education in October 2020 as the inaugural board for Chanzeywe Technical and Vocational College and inaugurated on the college grounds in December 2020. The Board's mandate is to represent the Cabinet Secretary of Ministry of Education by providing oversight on operations of the college to ensure focus on core objectives which include:-

1. Increase training opportunities for school leavers.
2. Develop and encourage culture of research, creativity, innovation among trainees and trainers.
3. Identify & develop practical skills and attitudes in trainees for employment and income generation.
4. Improve college corporate governance and image by proper management of resources.
5. Establish strategic collaboration and linkages with research institutions and professional bodies.
6. Enhance integration of ICT training and management.

The college faces challenges in implementation of market driven courses as we await equipment promised by government. Our humble request to the Kenya government to support and help actualize the dream of the many trainees who are enrolled in such courses and those who will come in future.

Judith A. Oduge
Chairperson
Chanzeywe TVC

Signature 

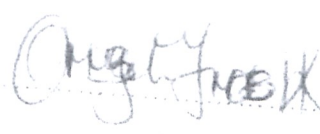
V. REPORT OF THE PRINCIPAL

Chanzeywe Technical and Vocational College located in Vihiga County, funded by the Kenya government to foster acquisition of market driven skills and realise vision 2030. It is expected to impact knowledge and skills that will help the government realise 100% transition vote.

The college had its founder Principal posted in 2020 and was registered by TVETA in 2021 with a staff of 20 (12 teaching staffs and 8 non-teaching staff) and student's population of 123. This annual report and financial statement for the year ended June 30th 2022 is part of the broader initiatives to ensure accountability in our institution.

The college awaits the AVIC-China GOK equipment to assist it deliver on its core mandate. The management and staff of Chanzeywe TVC are committed towards achieving the mandate of the college in realising the Vision 2030 and the Big 4 agenda in line with the TVET 2013 Act

Moses Omuga Mayoya
Ag PRINCIPAL SECRETARY BOG
Chanzeywe TVC

Signature 



CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE 2022

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

Assessment of the Board's performance against its annual work plan is done on achieved its performance targets set for the FY 2020/2021 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Delivery of technical skills	1. To offer Quality and Relevant programmes and undertake delivery of technical skills that produce high-end TVETA graduates as to achieve vision 2030	Tuition and class attendance	Research about the need of industry Set up Quality assurance unit.	Staff meeting minutes
Knowledge creation	2. To foster innovations and basic research that will enable enhance knowledge creation, production and repairs of equipment in our area of training as to meet current and emerging societal needs.	BOG meetings	Meetings held at least once quarterly	Board meeting minutes.
Management structures	3. To adopt and promote innovative and responsive corporate and management systems and structures.	BOG meeting TVETA organized meetings attended Invitation letters to workshop.	Attending BOG meetings Attending TVETA and KATTI organized seminars.	Organogram in place Letter of invitation available Receipts of registration in place.
Collaborations	4. To build and strengthen collaborative networks and partnerships, that cultivate active industry-based learning community	MOUs BOG meetings scheduling Requests for afforestation programs from County Government of Vihiga.	Preparation of MOUs	MOU document in place

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE 2022

Management of resources	5 To efficiently manage the human, infrastructural and financial resources for optional sustainability and development of the institution.	Grants from the MOE Minutes for Budget preparation. BOG minutes for hiring of key staff in finance.	Actual budget preparation Advertise for the post of Accountant and Procurement officer.	Budget delivered to the MOE. Adopted prequalification of suppliers from mentor and sister institution. Hiring of Ag. Accountant
Internal Quality Assurance	6. To develop and strengthen internal quality assurance that will guarantee continuous improvement of service delivery.	QAS office Appointment of registrar Preparation of academic policy	Setting up QAS office Setting up the organogram	Registrar appointed QAS appointed.

VII. CORPORATE GOVERNANCE STATEMENT

Chanzeywe Technical and Vocational College believes in good corporate governance. The Board of Governors provides leadership through oversight, review and guidance whilst setting the strategic direction. The BOG is the primary decision-making body for all matters considered as material to the service.

The BOG has the appropriate mix of skills, knowledge and experience members to perform its oversight role effectively and efficiently.

Council meetings are held quarterly as per Mwongozo guidelines and the TVET ACT 2013 and they have formal schedules of matters especially reserved for deliberation. The college ensures that it provides the necessary resources and expertise to the BOG to assist the ministry in their decision-making and as such, they are regularly consulted on key policy matters.

General Responsibilities

The BOG has a duty to the people of Kenya to ensure that the Chanzeywe Technical and Vocational College achieves its objectives efficiently and in compliance with PFM Act, 2012, TVET Act 2013, and all other laws related to their duties.

Statutory powers of the BOG include:

- To ensure that proper management structure is in place and the management maintain the corporate integrity, reputation and responsibility.
- To monitor and evaluate the implementation of strategies, policies and management plans of the college.
- To constantly review the viability and financial sustainability of the college.
- To ensure that college complies with all the relevant laws.

Risk management and Internal Controls.

The Board of Governors has overall responsibility for the establishment and oversight of the BOG risk management frameworks. The Risk Management Policies are established to identify and analyse the risk faced by the college and to set appropriate risk limits and controls, and monitor adherence to these limits. Risk Management policies and systems are reviewed regularly to reflect changes in operating conditions, legislation and services offered. Subsequently, the college identifies and manages risk through in-house risk review enhanced by compliance, internal and external audits.

The college has put in place a system of internal controls with defined, financial and operational controls to ensure that resources are safeguarded, transactions authorized, validated and reported in line with International Public-Sector Accounting and other treasury and ministry circulars and guidelines.

Conflict of Interest

All BOG members are under a duty to avoid conflict of Interest. This entails not engaging directly or indirectly in any business that competes or conflicts with the college business.

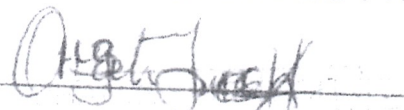
The Board has established a robust process requiring members to disclose their business interest for the college to know and have them in records.

Compliance

The Board of Governors confirms that it is satisfied that the college has resources to continue operating for the foreseeable future. For this reason, it continues to adopt the on-going Concern basis when preparing the financial statement.

This Board is satisfied that the College as to the best of their knowledge complied with all relevant laws and conducted its affairs in accordance with the law in particular to the PFM act 2012 and TVET act 2013.

Ms. Judith A. Oduge


Moses Omuga Mayoya

Chairperson

Ag Principal/BOG Sec

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

The college operational and Financial Performance

The college operated at a net surplus of Ksh. 143,142 during the financial year. This was due to increase in enrolment from 103 to 155 students as at 30th June 2022. The college carried out Capacity building at Vibrant Village Foundation that made us earn Ksh 329,000.

Compliance with Statutory Requirements

By the end of the year, the Chanzeywe Technical and Vocational College had paid all its statutory requirements in terms of NSSF, NHIF, PAYE to KRA the functions of the college are also anchored on various law and statues and other government relations which the college operated under. By the end of the year the college did not have any issues with noncompliance to any legal and statutory requirements.

The college is operating under legal framework necessary under public sector requirements such as:

- Technical & Vocational Education Act, 2013
- The constitution of Kenya, 2010
- Public Finance Management Act, 2012
- Procurement and Assets Disposal act, 2015
- International Public Sector Accounting Standards.
- All other relevant laws in its operation (regular circulars from treasury and ministry of education)

The college has also internal policies it uses in its operation. These policies are in line with all the relevant laws stated above and only direct the specific operations on how tasks are handled.

These policies are:

- Finance Policy
- Procurement Policy
- Academic Policy
- Human Resource Policy

Material Arrears and Financial Obligations

The College had substantial fees arrears owed by students totalling to Ksh. 3,579,940 which had not been received by the end of year.

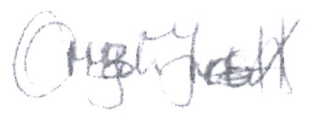
The College Financial Probity and Governance Issues

The College is governed by a BOG appointed by the Cabinet Secretary for education, who are independent overseers of the running of the College. They hold quarterly meetings to discuss management affairs of the College. The full BOG has sub-committees who also meet quarterly to oversee operations in their respective areas. The BOG oversees the financial operations of the Chanzeiwe Technical and Vocational College through its sub - Committee on Finance and Administration. The committee met and discussed the accounts for the financial year 2020-2021. The committee noted that the financial report under review is the first to be presented under the new International Public Sector Accounting Standards Accruals basis. (IPSAS Accruals) as directed by the National Treasury to all public tertiary institutions. The following issues were observed;

Un-paid Creditors.

By the end of the year the College had outstanding bills amounting to Ksh. 832,400 payable to suppliers of good ksh 639,453 and employees' salaries Ksh 192,947

By order of the Board
Moses Omuga Mayoya
Ag Principal/Secretary to the Board



REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the Draft financial statements for the year ended June 30, 2022 which show the state of the Chanzeywe Technical and Vocational College affairs.

Principal activities

The principal activities of the Chanzeywe Technical and Vocational College is to offer training in technical fields.

Results

The results of the college for the year ended June 30 2022 are set out on page 1-5

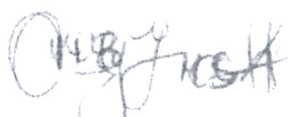
BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page v

Auditors

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

By Order of the Board


Secretary



IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Chanzeywe 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.

Sustainability strategy and profile

CTVC is a public tertiary institution that receives student fees and government grants. These funds are used to pay operating costs and training needs of the college. Procurement is done for goods, skills and services. The procurement process is reported to the Board during our meetings. The college expects to receive funding from CDF of Vihiga Constituency. To this end CTVC will make projections and budgets that will attract funding from other entities. The college will begin IGA once equipment are in the workshops for proper scaling up.

Environmental performance

NEMA have given the college an environment certificate that was done in preparation of a water drilling exercise that is yet to begin. The college has a valid Public Health Certificate.

Employee welfare

The college has a total of 20 employees: 12 teaching and 8 non-teaching staff, 9 male and 11 female employees

Market place practices-

CTVC promotes quality technical education, engages in sports as seen in our sports calendar of engagements, ensures compliance with NSSF and NHIF for staff, regular training in conferences and workshops, and ensuring clean water by chlorinating our rain harvested water in water tanks.

Corporate Social Responsibility Community Engagements

Chanzeywe Technical and Vocational College is yet to start CSR activities due to poor cash flow. We are committed to start engaging the community as we stabilise

X. STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

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

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

The council members accept responsibility for the college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act 2013. The Board members are of the opinion that the college's financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30, 2022, and of the college's financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Chanzeywe TVC financial statements were approved by the Board on 29th September 2022 and signed on its behalf by:

Name JUDITH A. ODUGE

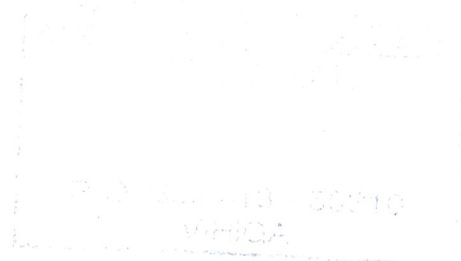
Signature

Chairperson of the Board Council

Name Moses Omuga Mayoya

Signature

Ag Principal Secretary BOG



REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON CHANZEYWE 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 Chanzeywe Technical and Vocational Training College set out on pages 1 to 45, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison

Report of the Auditor-General on Chanzeywe Technical and Vocational College for the year ended 30 June, 2022

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

Basis for Qualified Opinion

1. Excluded Land Without Title Deed

The statement of financial position and as disclosed in Note 31(b) to the financial statements reflects a balance of Kshs.58,239,504 relating to property, plant and equipment. However, the amount excludes land of undetermined size and value where the College is situated. Examination of documents provided for audit revealed that the College was allocated land by the National Lands Commission on 18 April, 2019 and no title deed has ever been obtained or valuation report done.

In the circumstances, the accuracy, ownership, completeness and fair valuation of the property, plant and equipment balance of Kshs.58,239,504 of the non-current assets could not be confirmed.

2. Accuracy of Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 26 to the financial statements reflects a balance of Kshs.(6,199) in respect of cash and cash equivalents. Included in the amount is a bank current account overdraft of Kshs.(6,472) and cash in hand amounting to Kshs.273. However, a bank reconciliation statement for the month of June, 2022 reflects deposits in bank not in cash book of Kshs.18,750.

No satisfactory explanation was provided on why the cash book was not updated with these deposits. Further, a board of survey report was not provided to support the cash in hand amount of Kshs.273.

In the circumstance, the accuracy and completeness of the cash and cash equivalents balance of Kshs.(6,199) could not be confirmed.

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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a revenue budget and actual on comparable amounts of Kshs.13,728,000 and Kshs.7,670,330 respectively, resulting to under-funding of Kshs.6,057,670 or 44% of the budget. Similarly, the statement reflects actual expenditure of Kshs.7,527,188 against approved budget of Kshs.13,728,000 resulting to under-performance of Kshs. 6,200,812 or 45% of the budget.

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

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. 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.

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 matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Lack of Attendance Board Register

During the year under review, the College did not keep an attendance register for Board Members. It was not therefore possible to confirm whether the Board dedicated adequate time and effort for meetings as required by Mwongozo Code of Governance for state Corporations Chapter 8 (C) (4).

In the circumstances, Management was 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 matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Strategic Plan and Other Relevant Governance Documents

As previously reported, the College operated without an Audit Committee, Risk Management Policy Framework, Accounting Policies, Human Resource Policies Manual and Strategic Plan during the year.

In the circumstances, internal controls and governance were not effective.

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

Responsibilities of Management and the Board of Governors

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

In preparing the financial statements, Management is responsible for assessing the College's ability 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 its 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 controls 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 College's policies and procedures may deteriorate.

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of 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 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 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 June, 2023

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE 2022

XII. -STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021-2022	2020-2021
		Ksh	Ksh
Revenue from non-exchange transactions			
Transfers from the National Government– Recurrent grants/	6	1,500,000	2,000,000
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
		1,500,000	2,000,000
Revenue from exchange transactions			
Rendering of services- Fees from students	10	5,836,330	3,118,016
Sale of goods	11	-	-
Rental revenue from facilities and equipment	12	-	-
Finance income-external investments	13	-	-
Other income	14	334,000	84,000
Revenue from exchange transactions		6,170,330	3,202,016
Total revenue		7,670,330	5,202,016
Expenses			
Use of goods and services	15	3,745,931	1,366,592
Employee costs	16	1,473,971	402,701
Remuneration of directors	17	519,023	524,500
Depreciation and amortization expense	18	1,636,467	1,509,693
Repairs and maintenance	19	130,155	95,640
Contracted services	20	-	-
Grants and subsidies	21	-	-
Finance costs	22	21,641	4,385
Total expenses		7,527,188	3,903,511
Other gains/(losses)			
Gain on sale of assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Impairment loss	25	-	-
Total other gains/(losses)			
Net Surplus for the year		143,142	1,298,505
Attributable to:			
Surplus/(deficit)attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-

The notes set out on pages 6 to 50 form an integral part of the Annual Financial Statements.

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

XIII. STATEMENT OF FINANCIAL POSITION AS AT 30th June 2022

	Notes	2021 - 2022 Kshs	2020 - 2021 Ksh
Assets			
Current assets			
Cash and cash equivalents	26	(6,199)	48,635
Current portion of receivables from exchange transactions	27(a)	3,579,940	2,911,150
Receivables from non-exchange transactions	28	-	-
Inventories	29	742,703	-
Investments	30	-	-
		4,316,444	2,959,785
Non-current assets			
Property, plant and equipment	31	58,239,504	58,640,470
Investments	30	-	-
Intangible assets	32	-	-
Investment property	33	-	-
Long term receivables from exchange transactions	27(b)	-	-
		58,239,504	58,640,470
Total assets		62,555,948	61,600,255
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	34	832,400	448,350
Refundable deposits from customers	35	37,500	9,000
Current Provisions	36	-	-
Finance lease obligation	37	-	-
Current portion of borrowings	41	-	-
Deferred income	38	-	-
Employee benefit obligation	39	-	-
Payments received in advance		-	-
		869,900	457,350
Non-current liabilities			
Non-current employee benefit obligation	39	-	-
Non-current provisions	40	-	-
Borrowings	41	-	-
Service concession liability	42	-	-
Deferred tax liabilities	49	-	-
		869,900	457,350
Total liabilities		869,900	457,350
Net assets			
Accumulated surplus		1,441,648	1,298,505
Capital Fund		59,844,400	59,844,400
Safaricom Foundation		400,000	-
Total net assets and liabilities		62,555,948	61,600,255

The Financial Statements set out on pages 1 to 9 were signed on behalf of the Institute Council/Board of Governors by:

JUDITH A. ODUGI

Chairperson of Board of Governors

PATRICK OCHORA

Finance Officer

MOSES OMBEGA MATOTA

Ag Principal

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

XIV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Fund	Total
At July 1, 2019	-	-	-	-	-
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Capital/Development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2020	-	-	-	-	-
At July 1, 2020	-	-	-	-	-
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	1,441,648	-	1,441,648
Capital/Development funds received during the year	-	-	-	60,244,400	60,244,400
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2021	-	-	1,441,648	60,244,400	61,686,048

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.
3. Capital Development Fund (comprise of cost of Building (ksh 57,500,000) and initial Furniture and fittings from Sigdaga (ksh 2,344,400) and donation from Safaricom Ksh 400,000)

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

XV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2021-2022 Kshs	2020-2021 Kshs
Cash flow from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	1,500,000	2,000,000
Public contributions and donations		-	-
Rendering of services- Fees from students	10	962,840	206,986
GOK Capitations		2,122,500	
CDF Bursary		815,000	
Helb Loan		1,267,200	
Caution Money	35	28,500	9,000
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Other income	14	334,000	84,000
Total Receipts		7,030,040	2,299,986
Payments			
Compensation of employees	16	1,281,024	268,361
Use of goods and services	15	3,486,481	1,132,592
Finance cost	22	21,641	4,505
Payment for Accruals (Previous year)		448,350	-
Taxation paid		-	-
BOG allowances	17	519,023	524,500
Repairs Maintenance and Improvement-Paid	19	130,155	15,630
Total Payments		5,886,674	1,945,588
Net cash flows from operating activities	43	1,143,366	354,398
Cash flows from investing activities			
Purchase of furniture and Fittings		(478,500)	-
Purchase of Equipment and stores		(489,700)	
Purchase of Computers		(230,000)	
Decrease in non-current receivables		-	-
Increase in investments		-	-
Net cash flows used in investing activities		(1,198,200)	(305,763)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(-)	(-)
Increase in deposits		-	-
Net cash flows used in financing activities		(-)	(-)
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 1 st July 2021	26	48,635	-
Cash and cash equivalent as at 30TH JUNE 2022	26	(6,199)	48,635

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE 2022

**CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Govt entities	3,000,000	(000)	3,000,000	1,500,000	(1,500,000)	(50%)
Public contributions and donations	-	(000)	-	-	-	
Rendering of services- Fees from students	10,608,000	000	10,608,000	5,836,330	(4,771,670)	(45%)
Sale of goods	-	-	-	-	-	
Finance Income	-	-	-	-	-	
Other Income	120,000	-	120,000	334,000	214,000	178%
Gains on disposal, rental income and agency fees	-	000	-	-	-	
Total income	13,728,000	000	13,728,000	7,670,330	(6,057,670)	(44%)
Expenses						
Compensation of employees	2,553,720	-	2,553,720	1,473,971	1,218,919	47%
Use of Goods and services	6,282,620	(00)	6,089,910	3,745,931	2,143,889	39%
Finance costs	19,800	(00)	19,800	21,641	(1,841)	(9%)
Depreciation	-	(00)	-	1,636,467	(1,569,867)	
Remuneration of directors	984,000	(00)	784,000	519,023	464,977	47%
Repairs and Maintenance	-	-	392,800	130,155	262,645	67%
Total expenditure	9,840,140	(00)	9,840,140	7,527,188	2,312,952	27%
Surplus for the period	3,887,860	00	3,887,860	143,142	3,744,718	
Budget notes						

Total student enrolment at 30th June 2022 stood at 155 students against a budget of 200 students, hence low fees revenue. The College did not receive GOK recurrent grants for 3rd and 4th quarter amounting to Ksh 1million.

Expenditure across all Vote Heads was within budget due to cost cutting measures and fewer operations due to number of students enrolled

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

XVII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Chanzeywe TVC is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is technical training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

The financial statements have been prepared in accordance with the PFM Act of 2012, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS

3. ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022
NOTES TO THE FINANCIAL STATEMENTS

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: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

iii. Early adoption of standards

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

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

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022
NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

ii) Revenue from exchange transactions

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 BOG on 26th July 2021.

The 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

The entity is currently paying the following statutory taxes:

Corporate tax

P.A.Y.E

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022
NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c) Taxes

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

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

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

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

e) Property, plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f) Leases

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

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

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

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

g) Intangible assets

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

h) Research and development costs

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

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence financial asset or an entity of financial assets is impaired. A financial asset or a 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 recognition of the asset (an incurred 'loss event') and that loss event has the estimated future cash flows of the financial asset or the entity of financial assets can be reliably estimated. Evidence of impairment may include the following:

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Financial instruments

Financial assets

Impairment of financial assets

- The debtors or a 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 arrearsor economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

i) 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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Inventories

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. The college is yet to have any reserves

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) 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.

o) 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.

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NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

p) Related parties

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

q) Service concession arrangements

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

r) 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.

s) Comparative figures

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

t) 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, 2021.

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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.

Depreciation

It's the policy of the college to depreciate its assets on written down value as follows

Building	2%
Machinery	12.5%
Furniture and Fittings	12.5%
Motor Vehicle	25%
Computers	33.3%
Loose tools	50%

**CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2021-2022	2020-2021
	KShs	KShs
Unconditional grants		
Capitation grants	-	-
Operational grant	-	-
Conditional grants		-
Library grant	-	-
Hostels grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Learning facilities grant	-	-
Other organizational grants	-	-
Total government grants and subsidies	-	-

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2020-2021
			KShs	KShs	KShs
State Department VTT	1,500,000	-	-	1,500,000	2,000,000
Not yet received Q3 and Q4	1,000,000			1,000,000	-
Total	2,500,000	-	-	2,500,000	2,000,000

NOTES TO THE FINANCIAL STATEMENTS

7. GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2021-2022	2020-2021
	KShs	KShs
JICA- Research grant	-	-
World Bank grants	-	-
In-kind Donations	-	-
Others- Safaricom Foundation	400,000	-
Total grants from development partners	400,000	-

**CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022**

Reconciliations of grants from donors and development partners

Description	2021-2022	2020-2021
	KShs	KShs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions to be met - remain liabilities	-	-

8. TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2021-2022	2020-2021
	KShs	KShs
	-	-
Transfer from County xxx	-	-
Transfer from xxx University	-	-
Transfer from xxx institute	-	-
Total Transfers	-	-

9. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2021-2022	2020-2021
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from alumni	-	-
Other donations	-	-
Total donations and sponsorships	-	-

10. RENDERING OF SERVICES

Description	2021-2022	2010-2021
	KShs	KShs
Tuition fees	393,410	100,047
Activity fees	8,390	12,514
Industrial attachment fees	4,500	3,000
Registration fees	38,500	30,775
Personnel Emoluments	68,840	29,678
EWC	4,884	9,494
LTT	4,396	9,226
RMI	4,110	4,932
Student Id	20,350	4,500
Student Union	8,100	2,700
Examination	407,360	-
SUBTOTAL	962,840	
GOK Capitation	2,122,500	

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
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CDF Bursary	815,000	
HELB Loan	1,267,200	
TOTAL PAID	5,167,540	206,866
Accrual	668,790	2,911,150
Total revenue from the rendering of services	5,836,330	3,118,016

11. SALE OF GOODS

Description	2021-2022	2021-2021
	KShs	KShs
Sale of goods		
Sale of books	-	-
Sale of publications	-	-
Sale of farm produce	-	-
Cafeteria	-	-
Other(include in line with your organisation)	-	-
Total revenue from the sale of goods	-	-

12. HIRE OF FACILITIES AND EQUIPMENT

Description	2021-2022	2020-2021
	KShs	KShs
Hire of facilities and equipment		
Contingent rental	-	-
Operating lease revenue	-	-
Total	-	-

13. FINANCE INCOME

Description	2021-2022	2021-2022
	KShs	KShs
Cash investments and fixed deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

14. OTHER INCOME

Description	2021-2022	2020-2021
	KShs	KShs
Insurance recoveries	-	-
Capacity Buildg fees(Income from VVF)	329,000	-
Income from sale of tender	5,000	84,000
Total other income	334,000	84,000

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
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15. USE OF GOODS AND SERVICES

Description	2021-2022	2020-2021
	KShs	KShs
Teaching and learning materials	215,570	106,831
Electricity	202,000	20,000
Security - Paid	390,000	234,000
Subscriptions	44,060	70,000
Advertising/Marketing and Publicity	57,500	105,200
Travelling and accommodation	766,967	147,704
Printing and stationery	193,092	98,375
Skills development lev/workshop seminars	67,200	145,000
Telephone expenses	152,245	74,220
Activity Expenses	8,400	500
Administrative Expenses	311,815	68,382
Cleaning Materials	116,650	56,680
Compound Maintenance	45,500	-
Farm Costs	-	5,700
Penalties	1,080	-
Capacity Building	190,400	-
Examinations	567,820	-
Insurance fees	156,182	-
Subtotal – Paid	3,486,481	1,132,592
ACCRUALS -		
Security	78,000	234,000
Teaching Materials	68,250	
Cleaning Materials	69,800	
Printing and Stationary	43,400	
TOTAL	3,745,931	1,366,592

16. EMPLOYEE COSTS

	2021-2022	2020-2021
	KShs	KShs
Salaries and wages- paid	1,281,024	268,361
Salaries and wages- April and June payroll	192,947	134,340
Employee costs	1,473,971	402,701

17. REMUNERATION OF DIRECTORS

Description	2021-2022	2020-2021
	KShs	KShs
Sitting allowances	519,023	524,500
Total director emoluments	519,023	524,500

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
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18. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2021-2022	2020-2021
	KShs	KShs
Property, plant and equipment	-	-
Computers	170,981	41,665
Investment property carried at cost		
Furniture and Fittings	335,290	314,831
Buildings	1,127,000	1,127,000
Tools and Equipment	3,197	3,197
Total depreciation and amortization	1,636,467	1,509,693

19. REPAIRS AND MAINTENANCE

Description	2021-2022	2020-2021
	KShs	KShs
Furniture and fittings- Paid	130,155	15,630
Accrued maintenance of Fire extinguisher	-	80,010
Total repairs and maintenance	130,155	95,640

20. CONTRACTED SERVICES

Description	2021-2022	2020-2021
	KShs	KShs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Total contracted Services	-	-

21. GRANTS AND SUBSIDIES

Description	2021-2022	2020-2021
	KShs	KShs
Community development	-	-
Education initiatives and programs	-	-
Social development	-	-
Community trust	-	-
Sporting bodies	-	-
Total grants and subsidies	-	-

22. FINANCE COSTS

Description	2021-2022	2020-2021
	KShs	KShs

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
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Bank charges	21,641	4,385
Total finance costs	21,641	4,385

23. GAIN ON SALE OF ASSETS

Description	2021-2022	2020-2021
	KShs	KShs
	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
Total gain on sale of assets	-	-

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS

24. UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2021-2022	2020-2021
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

25. IMPAIRMENT LOSS

Description	2021-2022	2020-2021
	KShs	KShs
Property ,plant and equipment	-	-
Intangible assets	-	-
Total impairment loss	-	-

26. CASH AND CASH EQUIVALENTS

Description	2021-2022	2020-2021
	KShs	KShs
Current account	(6,472)	45,768
Cash in Hand	273	2,867
Total cash and cash equivalents	(6,199)	48,635

26(a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2021-2022	2020-2021
		KShs	KShs
a) Current account			
Kenya Commercial bank		(6,472)	45,768
cash in hand		273	2,867
Grand total		(6,199)	48,635

27. RECEIVABLES FROM EXCHANGE TRANSACTIONS

27(a)Current Receivables from Exchange Transactions

Description	2021-2022	2020-2021
	KShs	KShs
Current receivables		
Student debtors	3,579,940	2,911,150
Total current receivables	3,579,940	2,911,150

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27(b) Long- term Receivables from Exchange Transactions

Description	2021-2022	2021-2022
	KShs	KShs
Non-current receivables		
Refundable deposits	-	-
Advance payments	-	-
Public organizations	-	-
Less: impairment allowance	-	-
Total	-	-
Current portion transferred to current receivables	-	-
Total non-current receivables	-	-
Total receivables	-	-

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

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

28. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	KShs	KShs
Current receivables		
Capitation grants*	-	-
Transfers from other govt. entities	-	-
Undisbursed donor funds	-	-
Other debtors(non-exchange transactions)	-	-
Less: impairment allowance	-	-
Total current receivables	-	-

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

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

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

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

29. INVENTORIES

Description	2021-2022	2020-2021
	KShs	KShs
Consumable stores	00	00
Food and Beverage Dept	129,653	00
Building Dept	203,853	00
Electrical stores	304,395	00
Hairdressing	58,502	00
Games Dept	46,300	00
Total inventories at the lower of cost and net realizable value	742,703	00

30. INVESTMENTS

Description	2021-2022	2020-2021
	KShs	KShs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	00	00
CBK	00	00
Sub- total	00	00
b) Investment with Financial Institutions/ Banks		
Bank x	00	00
Bank y	00	00
Sub- total	00	00
c) Equity investments (specify)	00	00
Equity/ shares in company xxx	00	00
Sub- total	00	00
Grand total	00	00

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	
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Prior year
	%	%	%		Shs	Shs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
Entity D	-	-	-	-	-	-

F) Land

The parcel of Land South Maragoli Mahanga/569 was donated by County Govt Vihiga, The college has letters of allotment but still processing the Tittle Deed

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

31. PROPERTY, PLANT AND EQUIPMENT

Cost	Buildings Shs	Motor vehicles Shs	Furniture and fittings Shs	Computers Shs	Tools and Equipment	Plant and equipment Shs	Capital Work in progress Shs	Total Shs
At July 2021	57,500,000	-	2,518,650	125,120	6,393	-	-	60,150,163
Additions			605,500	630,000				1,235,500
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
At 30th June 2022	57,500,000	-	3,124,150	755,120	6,393	-	-	61,385,663
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
At 30th June 2022	57,500,000	-	3,124,150	755,120	6,393	-	-	61,385,663
Depreciation and impairment								
At July 2021	1,150,000	-	314,831	41,665	3,197	-	-	1,509,693
Depreciation	1,127,000		335,290	170,981	3,197			1,636,467
Impairment	-	-	-	-	-	-	-	-
At 30 June 2022	2,277,000	-	650,121	212,646	6,393	-	-	3,146,160
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-
At 30th June 2021	2,277,000	-	650,121	212,646	6,393	-	-	3,146,160
Net book values	-	-	-	-	-	-	-	-
At 30th June 2021	56,350,000	-	2,203,819	83,455	3,197	-	-	58,640,470
At 30th June 2022	55,223,000	-	2,474,029	542,475	-	-	-	58,239,503

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NOTES TO THE FINANCIAL STATEMENTS

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:

	Rate of Depreciation	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs	Kshs
Land	-	-	-	-
Buildings	2%	57,500,000	2,277,000	55,223,000
Plant and machinery	-	-	-	-
Loose Tools	50%	6,393	6,393	-
Computers and related equipment	33.3%	755,120	146,046	542,475
Office equipment, furniture, and fittings	12.5%	3,124,150	650,121	2,474,029
Total		61,258,663	3,079,560	58,239,504

32. INTANGIBLE ASSETS-SOFTWARE

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

**CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022**

NOTES TO THE FINANCIAL STATEMENT

33. INVESTMENT PROPERTY

Description	2021-2022	2020-2021
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
At end of the year	-	-

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

34. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	KShs	KShs
Trade payables	639,453	314,010
Fees paid in advance	-	-
Employee advances	-	-
Third-party payments	-	-
Accrued Salaries	192,947	134,340
Total trade and other payables	832,400	448,350

35. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2021-2022	2020-2021
	KShs	KShs
Consumer deposits	-	-
Caution money	37,500	9,000
Other refundable deposits	-	-
Total deposits	37,500	9,000

36. CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	KShs	KShs	KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision utilised	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Transfers from non -current provisions	-	-	-	-	-
Total provisions	-	-	-	-	-

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

37. FINANCE LEASE OBLIGATION

Description	2021-2022	2021-2021
	KShs	KShs
At the start of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

Period	Amount
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: Unearned interest	-

Analysed as:

Description	Amount
Current	00
Non- Current	00
Total	00

38. DEFERRED INCOME

Description	2021-2022	2020-2021
	KShs	KShs
National government	00	00
International funders	00	00
Public contributions and donations	00	00
Total deferred income	00	00

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

The deferred income movement is as follows:

	National government	International funders/donors	Public contribution sanddonations	Total
Balance brought forward	-	-	-	-
Additions during the year	-	-	-	-
Transfers to Capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	-	-	-	-

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	-	-	-	-	-
Non-current benefit obligation	-	-	-	-	-
Total employee benefits obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

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

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

	2021-2022	2021-2022
	Kshs	Kshs
Discount rates	00%	00%
Future salary increases	00%	00%
Future pension increases	00%	00%
Mortality (Pre- retirement)	00%	00%
Mortality (Post- retirement)	00%	00%
Withdrawals	00	00
Ill health	00	00
Retirement	Xx years	Xx years

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
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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:

Description	2021-2022 Kshs	2020-2021 Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (Specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

b) Amounts recognised in the Statement of Financial Position

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

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. XXX per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

40. NON-CURRENT PROVISIONS

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

(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	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the year	-	-

41 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS

	2021-2022	2020-2021
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx organization'	-	-
Sterling Pound denominated loan from 'yyyorganisation'	-	-
Euro denominated loan from zzzorganisation'	-	-
Domestic Borrowings	-	-
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Total balance at end of the year	-	-

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022
NOTES TO THE FINANCIAL STATEMENTS (Continued)

41b) BREAKDOWN OF LONG- AND SHORT-TERM BORROWINGS

Description	2021-2022	2020-2021
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
Total	-	-

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

42. SERVICE CONCESSION ARRANGEMENTS

Description	2021-2022	2020-2021
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

43. CASH GENERATED FROM OPERATIONS

	2021-2022	2020-2021
	KShs	KShs
Surplus for the year before tax	1,143,412	1,298,505
Adjusted for Depreciation	1,569,867	1,509,693
Non-cash grants received	(-)	(-)
Contributed assets	400,000	(-)
Impairment	-	-
Gains and losses on disposal of assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance income	(-)	(-)
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	(489,700)	(-)
Increase in receivables	(668,790)	(2,911,150)
Increase in deferred income	-	-
(Decrease) Increase in payables	(270,073)	457,350
Increase in payments received in advance	-	-
Net cash flow from operating activities	1,053,666	354,398

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS

44. FINANCIAL RISK MANAGEMENT

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 20xx			
Financial assets(investments, cash, debtors)	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS

44. FINANCIAL RISK MANAGEMENT

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 201xx			
Financial assets(investments, cash ,debtors)	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	-	-
USD	10%	-	-
20xx			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022
NOTES TO THE FINANCIAL STATEMENTS (Continued)

44 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

b) Interest rate risk(continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (2016: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (2020 – KShs xxx)

iv) Capital Risk Management

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

	2021-2022	2020-2021
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	2,441,648	1,298,505
Capital reserve	60,244,400	59,844,400
Total funds		61,142,485
Total borrowings		-
Less: cash and bank balances	6,199	(48,635)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	00%	00%

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

45. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

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

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

	2021-2022	2021-2022
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to Govt agencies	-	-
Rent Income from govt. agencies	-	-
Water sales to Govt. agencies	-	-
Others (Specify)	-	-
Total	-	-
b) Purchases from related parties	-	-
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others (specify)	-	-
Total	-	-
b) Grants /Transfers from the Government	-	-
Grants from National Govt	-	-
Grants from County Government	-	-
Donations in kind	-	-
Total	-	-
c) Expenses incurred on behalf of related party	-	-
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
Total	-	-
d) Key management compensation	-	-
Directors' emoluments	-	-
Compensation to key management	-	-
Total	-	-

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

46. SEGMENT INFORMATION

The college does not have branches

47. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets

	2021-2022	2020-2021
	Kshs	Kshs
Contingent assets		
Insurance reimbursements	xxx	xxx
Assets arising from determination of court cases	xxx	Xxx
Reimbursable indemnities and guarantees	xxx	Xxx
Others (Specify)	xxx	xxx
Total	xxx	Xxx

Contingent Liabilities

	2021-2022	2020-2021
	Kshs	Kshs
Contingent liabilities	-	-
Court case xxx against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from contracts including PPPs	-	-
Others (Specify)	-	-
Total	-	-

(Give details)

48. CAPITAL COMMITMENTS

Capital commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
Total	-	-

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

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

49. DEFERRED TAX LIABILITY

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

	2021-2022	2020-2021
	Kshs	Kshs
Accelerated capital allowances	-	-
Unrealised exchange gains/(losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	-	-
Provisions for liabilities and charges	-	-
	-	-
Net deferred tax liability/(asset)	-	-
	-	-
The movement on the deferred tax account is as follows:	-	-
	-	-
Balance at beginning of the year	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
	-	-
Balance at end of the year	-	-

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

50. EVENTS AFTER THE REPORTING PERIOD

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

51. ULTIMATE AND HOLDING ENTITY

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

52. CURRENCY

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

**CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022**

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR 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.

Accounting Officer

Name **MOSES OMWGA MAYOYA**

(Enter title of head of entity)

Signature 

Date. **24/10/22.**

CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

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

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, ie 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							

**CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022**

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the State Department of Vocational and Technical Training				
FY 2022 , 30th June				
a. Recurrent Grants				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		12/07/2021	500,000	4 th Quarter FY 2020/2021
		24/11/2021	500,000	1 st Quarter FY 2021/2022
		24/11/2021	500,000	2 nd Quarter FY 2021/2022
		Total	1,500,000	
b. Development Grants				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
		Total	-	
c. Direct Payments				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
		Total	-	
d. Donor Receipts				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
		Total	-	

The above amounts have been communicated to and reconciled with the parent Ministry

Accountant

Chanzeywe TVC

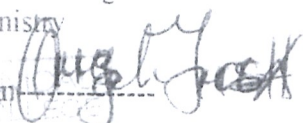
Sign



Head of Accounting Unit

Ministry

Sign



**CHANZEYWE TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022**

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized						Total Transfers during the Year
					Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific		
Ministry of Education	Above		Recurrent	1,500,000	1,500,000	-	-	-	-	-	1,500,000
Ministry of Education	xxx		Development	-	-	-	-	-	-	-	-
USAID	xxx		Donor Fund	-	-	-	-	-	-	-	-
Ministry of Education	xxx		Direct Payment	-	-	-	-	-	-	-	-
Total				1,500,000	1,500,000	-	-	-	-	-	1,500,000