

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 17 JUN 2025	DAY: TUESDAY
TABLED BY: THE LEADER OF THE MAJORITY PARTY	
CLERK-AT-THE-TABLE: NILI S OBIRO	

THE AUDITOR-GENERAL

ON

**SIRUTI TECHNICAL AND VOCATIONAL
COLLEGE AWENDO**

**FOR THE YEAR ENDED
30 JUNE, 2024**

**STATE DEPARTMENT FOR TECHNICAL AND
VOCATIONAL EDUCATION AND TRAINING**

CRA

OFFICE OF THE AUDITOR GENERAL
P. O. BOX 30554, 00103, NAIROBI
KENYA
30 SEP 2024



**SIRUTI TECHNICAL AND
VOCATIONAL COLLEGE
AWENDO**

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED
30TH JUNE 2024**

*PREPARED IN ACCORDANCE WITH THE ACCRUAL BASIS OF ACCOUNTING METHOD UNDER THE
INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)*



Table of Contents

1.	Acronyms and Definition of Key Terms.....	ii
2.	Key Entity Information and Management.....	iii
3.	The Board of Governors.....	vii
4.	Key Management Team	x
5.	Chairman’s Statement	xii
6.	Report of the Principal	xiii
7.	Statement of Performance against Predetermined Objectives	xvi
8.	Corporate Governance Statement.....	xxi
9.	Management Discussion and Analysis.....	xxviii
10.	Environmental and Sustainability Reporting Statement	xxxviii
11.	Report of the Board of Governors.....	xliv
12.	Statement of Board of Governors Responsibilities	xlvi
13.	Report of the Auditor General.....	xlvi
14.	Statement of Financial Performance for the year ended 30 th June 2024.....	1
15.	Statement of Financial Position as at 30 th June 2024.....	2
16.	Statement of Changes in Net Asset for the year ended 30 th June 2024.....	3
17.	Statement of Cash Flows for the year ended 30 th June 2024	4
18.	Statement of Comparison of Budget & Actual amounts for year ended 30 th June 2024	5
19.	Notes to the Financial Statements	7
20.	Appendices	27

1. Acronyms and Definition of Key Terms

A. Acronyms

A-in-A	Appropriations in Aid
BETA	Bottom-Up Economic Transformation Agenda
BoG	Board of Governors
BPS	Budget Policy Statement
ERS	Economic Recovery Strategy
FY	Financial Year
GoK	Government of Kenya
ICT	Information, Communication and Technology
MDA	Ministries, Departments and Agencies
MSME	Micro, Small and Medium Enterprise
MoE	Ministry of Education
OSR	Own Source Revenue
MTP IV	Fourth Medium Term Plan
PFMA	Public Financial Management Act 2012 and Regulations 2015
PPP	Public Private Partnerships
STVCA	Siruti Technical and Vocational College Awendo
TVET	Technical and Vocational and Education Training

B. Definition of Key Terms

Budget	Estimates of income and expenditure for a financial year
Comparative Year	Means the prior period
Fiduciary Management	Members of Management directly entrusted with the entity's financial resources.
Jituume Laboratories	Programme providing digital connectivity, services, products, skills training and digital jobs linkages while unlocking access to jobs for Kenyans.
Mwongozo Code of Governance	Set of guidelines and principles established to govern operations, management and oversight of state corporations
Strategic Plan	Document used to communicate with the organization the organizations goals, the actions needed to achieve those goals
Strategies	Broad abstractions which are descriptive of the means for achieving strategic objectives.
Strategic Issues	These are problems or opportunities emanating from situational analysis that Siruti TVCA must manage'
Strategic Goals	General qualitative statements on what is expected to be achieved in the long term.
Strategic Objectives	This is what Siruti TVCA commits itself to accomplish to achieve strategic goals.

2. Key Entity Information and Management

(a) Background Information

Siruti Technical and Vocational College Awendo was established in accordance with the TVET Act 2013, Section 20 (1) on 21/07/2021. The institution, registration number- TVETA/PUBLIC/TVC/032/2021, is a public institution currently under the Ministry of Education.

The College is domiciled in Siruti Centre, approximately six kilometres from Awendo Town, Migori County – Kenya. Currently it has only one branch with gross enrolment of approximately 548 trainees. Currently the institution has 9 academic programmes offering various courses. These departments are:

- Mechanical and Automotive Engineering
- Electrical and Electronics Engineering
- Building and Civil Engineering
- Agriculture and Environmental Studies
- Hospitality and Institutional Management.
- Computing and Informatics
- Business Studies
- Liberal Studies
- Fashion Design and Cosmetology

(b) Principal Activities

The principal activity of Siruti Technical and Vocational College Awendo is training in technical and business courses.

Our Vision

To be a world class college in the provision of technical, vocational training and applied research.

Our Mission

To expand human knowledge beneficial to society through high quality training, applied research and practicability

Our Strategic Objectives

- To achieve financial viability and sustainability
- To develop a strong and well-managed Institution
- To provide quality education and technical training
- To improve corporate governance and image
- To expand and improve the physical facilities

- To enhance risk management, disaster preparedness and promote environmental sustainability

Our Core Values

- Integrity
- Innovation
- Practicability
- Teamwork
- Environmental Sustainability

(c) Key Management

The day-to-day management of the College is exercised by the following key organs:

Board of Governors
Principal
Principal Management Committee
Academic Committee

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

S/No	Designation	Name
1.	Principal	Wilfred Owalla
2.	Deputy Principal	Jane Ochung
3.	Dean of Trainees	Paul Danga
4.	Registrar	Mercy Onguko
5.	Finance Officer	Robert Ouko
6.	Supply Chain Officer	Paul Otigo
7.	Human Resource Officer	Doreen Odhiambo
8.	Head of TVET Greening	Josphine Chepkemoi
9.	Ombudsman	Annelizabeth Wachira
10.	Industrial Linkages Officer	Kenneth Maende
11.	Internal Quality Assurance Officer	Jane Ogutu
12.	Head of IGA	Evans Achar

(e) **Fiduciary Oversight Arrangements**

Board Committees	Members	
Finance, Infrastructure and Resource Mobilization (FIRM) Committee	Bainitos Hussein	Chairperson
	Carolyne Otieno	Member
	Olympia Keino	Member
	John Okello	Member
	Dr John Osoro	Member
	CPA. Wilfred Owalla	Secretary
Education, Research and Training (ERT) Committee	Dr Carolyne Kokeyo	Chairperson
	Ben Odhiambo	Member
	Olympia Keino	Member
	John Okello	Member
	Dr. John Osoro	Member
	CPA. Wilfred Owalla	Secretary
Audit Risk and Compliance (ARC) Committee	CPA Simeon Obongo	Chairperson
	Ben Odhiambo	Member
	Dr Carolyne Kokeyo	Member
	CPA Calfax Nanyuki	Secretary

(f) **Entity Headquarters**

P.O. Box 555-40405
Sare-Awendo
Awendo – Migori Road
Migori County
KENYA

(g) **Entity Contacts**

Telephone: (+254) 0113004605 / 0786925569
E-mail: sirutiawendotvc@gmail.com

(h) **Entity Bankers**

National Bank of Kenya
Awendo Branch

P.O. Box 200-40405
Sare - Awendo

(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

3.The Board of Governors



Charles Obiero Odindo
Chairman

Date of Birth: 2nd June 1965

Charles holds a BSc degree in Human Resource Management. He has a wealth of experience in strategic leadership and governance. His work experience also involves integrated research design, cartographic mapping for institutional planning as well as marketing and resource mobilization.

He has also participated in various activities involving training of trainers, performance management, monitoring and evaluation of projects/programmes and sourcing of local and donor funds.



Dr Carolyne A. O. Kokeyo
Member

Date of Birth: 16th January 1974

Dr Carolyne holds a PhD in Communication Studies in Educational Leadership.

She is an accomplished scholar with a teaching experience of over 21 years. She has also published in various refereed journals.

CPA Simeon Obon'go Mochere
Member

Date of Birth: 21st December 1976

CPA Simeon Obon'go is a practising auditor. He is currently undertaking his PhD in finance. He holds a MSc in finance and BCom in Accounting. He also holds a CIFA (K) qualification.





Olympia J. Keino-Okal HSC
Member

Date of Birth: 20th October 1968

Mrs Okal who is currently undertaking a PhD in Community Nutrition and Development, is a holder of MA in Home Science. She has over 30 years' experience in the education sector.

Olympia is also a professional counsellor and is a member of several Boards.



Baintos O Hussein
Member

Date of Birth: April 1959

Mr Hussein, a holder of HND in Land Surveying and Mapping is a registered member of ISK. He has a wealth of experience spanning over 40 years in the public sector.



Caroline Cecilia Otieno
Member

Date of Birth: 25th September 1988

Caroline holds a BA in Communication and Media. She is currently a journalist working for Nam Lolwe FM. She is also a science journalist and a member of Media for Environmental Science, Health and Agriculture (MESHA).

She has nine years' experience in the communication sector.

Ben Calvins Odhiambo
Member

Date of Birth: 10th August 1991

Ben holds a BSc in Information Technology. He is currently working with Rongo University as an IT professional. He also has vast experience working with UNES-USAID Health IT Project – Migori CHMT as a consultant for Migori, Kisii, Homabay and Nyamira counties.





John Okoth Okello
Member

Date of Birth: 01 January 1963

John holds a Bachelor's degree in Business Administration and Management and MA in Public Administration and Policy from Rongo University. He retired from public service after serving for ten years as a Sub-County Administrator in Migori County government, a DVCECE trainer in the Ministry of Education for four years and taught for over twenty years in various public schools within the county.

	<p>Dr John Osoro Regional Director TVET</p>
--	---

Date of birth:



CPA Wilfred Owalla
Principal/Secretary to Board

Date of birth: 05 July 1965

CPA Wilfred is a holder of MBA in Finance.

He also has several publications in referred journals and has over 35 years' experience in the TVET sector.

4. Key Management Team

CPA Wilfred Owalla
MBA (Finance)
Principal



Jane Ochung
Masters in Communication
and Linguistics
Deputy Principal



Mercy Onguko
BSc Hospitality
Registrar



Paul Danga
BSc in General Agriculture
Dean of Trainees



M/s Doreen Odhiambo
BSc Business Management
Human Resource Officer





M/s Jane Ogutu
CPA 2
IQAO/PCC



Paul Otigo
B. Com Procurement and
Supply Chain Management
Procurement Officer



John Robert Ouko
B. Com Finance
Finance Officer



Josphine Chepkemoi
Bsc Agribusiness Managment
Head of TVET Greening



Annelizabeth Wachira
Dip Tourism, Travel and
Hospitality
Ombudsman



Eng. Kenneth Maende
Dip. Mechanical Engineering
Industrial Linkages Officer



Mr Evans Achar
Dip SCM
OCS/Head of IGA

5. Chairman's Statement

Although FY 2023/2024 was marked with a slow economic growth recovery after the adverse effects of the economic challenges witnessed in the economy, it is my pleasure, honour and privilege, on behalf of the Board of Siruti TVCA to present to you the Annual Report and Financial Statements for the year ended 30th June 2024. This gives STVCA an opportunity to celebrate the milestones achieved and at the same time identify areas of weaknesses.

STVCA Board has remained alive and focussed and continued to discharge its mandate by working closely with the National Government through the State Department of Technical and Vocational Training under the Ministry of Education in the implementation of this mandate. On corporate governance, the Board is fully compliant with the Mwongozo code of governance and has continued to put in place systems, policies, procedures and other frameworks to enable full operationalization of the College.

The Board oversaw and provided significant input into several important developments during the year relating to infrastructure development and formulation of policies and procedures. These initiatives were implemented to ensure that we continue to focus on the issues that will shape the future of the institution. The College also participated in Performance Contracting for its second time and scored an impressive score of 3.2. In FY 2023/2024, the College acquired an ERP system and improved internet connectivity by installing KENET. There has also been a concerted effort to purchase training equipment, office furniture and equipment, among others. All these achieved despite the significant funding constraints caused by non-remittance and under remittance of capitation funding by the government.

At Siruti TVCA there are many issues that we address and mitigate which include environmental, social, operational, financial, and technological issues. But with the right people and partners, we have remained on plan and on budget in FY 2023/2024. This reflects our improved confidence in the position of the institution.

The College however continue to face a myriad of problems, inter alia, financial resources. There were also problems experienced due to lack of training machinery, equipment and furniture.

However, the future looks bright. The Board has entrusted day to day running of the institution to management headed by the Principal who together with the staff ensures that policies put in place by the Board are adhered to, the reports in all operational areas are reported to the Board to oversight whether targets set are met.

Currently, there are plans to embark on massive resource mobilization, additional policy formulation, link the institution with key stakeholder groups, monitor achievement of targets and enhance sustainability.

The term of the current Board ended on 17th February 2024. However, on 26th April 2024, the Cabinet Secretary for education granted this Board an extension up to 30th June to participate in the then forthcoming recruitment exercise that was to commence on 29th April 2024.

Thank you

Charles Odindo
CHAIRPERSON

5. Chairman's Statement

Although FY 2023/2024 was marked with a slow economic growth recovery after the adverse effects of the economic challenges witnessed in the economy, it is my pleasure, honour and privilege, on behalf of the Board of Siruti TVCA to present to you the Annual Report and Financial Statements for the year ended 30th June 2024. This gives STVCA an opportunity to celebrate the milestones achieved and at the same time identify areas of weaknesses.

STVCA Board has remained alive and focussed and continued to discharge its mandate by working closely with the National Government through the State Department of Technical and Vocational Training under the Ministry of Education in the implementation of this mandate. On corporate governance, the Board is fully compliant with the Mwongozo code of governance and has continued to put in place systems, policies, procedures and other frameworks to enable full operationalization of the College.

The Board oversaw and provided significant input into several important developments during the year relating to infrastructure development and formulation of policies and procedures. These initiatives were implemented to ensure that we continue to focus on the issues that will shape the future of the institution. The College also participated in Performance Contracting for its second time and scored an impressive score of 3.2. In FY 2023/2024, the College acquired an ERP system and improved internet connectivity by installing KENET. There has also been a concerted effort to purchase training equipment, office furniture and equipment, among others. All these achieved despite the significant funding constraints caused by non-remittance and under remittance of capitation funding by the government.

At Siruti TVCA there are many issues that we address and mitigate which include environmental, social, operational, financial, and technological issues. But with the right people and partners, we have remained on plan and on budget in FY 2023/2024. This reflects our improved confidence in the position of the institution.

The College however continue to face a myriad of problems, inter alia, financial resources. There were also problems experienced due to lack of training machinery, equipment and furniture.

However, the future looks bright. The Board has entrusted day to day running of the institution to management headed by the Principal who together with the staff ensures that policies put in place by the Board are adhered to, the reports in all operational areas are reported to the Board to oversight whether targets set are met.

Currently, there are plans to embark on massive resource mobilization, additional policy formulation, link the institution with key stakeholder groups, monitor achievement of targets and enhance sustainability.

The term of the current Board ended on 17th February 2024.

Thank you



Charles Odindo
CHAIRPERSON

6. Report of the Principal

Introduction

Siruti TVC Awendo entered its third year of operations since inception with evidence of continual and sustained growth. The gross enrolment at the end of the financial year stood at 551 trainees up from 453, representing a growth rate of 21%.

It is worth noting that the College went through its 2nd cycle of Performance Contracting and posted a composite score of 3.2116 up from 3.5178 in FY 2022/2023, which is a significant improvement. In the PSC national values evaluation, the College was ranked fourth nationwide among the TVET institutions, which was also quite commendable. This current year also saw the recruitment of 27 staff members.

The trainees sat for their first KNEC exam in July 2022 exam in the history of the College attained 34%. However, in November 2022 the pass rate attained increased to 68%, March 2023 - 73%, July 2023 - 78%, November 2023 – 64% and March 2024 – 56%. The management has noted this drop and is currently addressing the relevant issues.

The management under the direction of the BoG has continued to develop various policies and operating procedures manuals to guide its operations. The Strategic Plan June 2021- July 2026 has also undergone a mid-term review. This review was also a directive from the government to bring all public institutions under the Bottom-up Economic Transformative Agenda (BETA)

Operational Results

At the close of FY 2023/2024, the College realized revenue of Kes 17,866,117 compared to Kes 12,284,554 for FY 2022/2023. This represented an increase of 45.4%. the budgeted amount for the previous period was Kes 26,336,950. Therefore only 67.8% of the projected revenue was raised. STVCA failed to receive capitation amounting to Kes 3,879,500.

Expenditure likewise increased during the same period, from Kes 13,416,774 in FY 2022/2023 to Kes 18,862,582 in FY 2023/2024 representing an increase of 40.9%. this was majorly because of the increase in use of good and services from Kes 7,412,641 in FY 2022/2023 to Kes 11,723,669 in FY 2023/2024. The primary cause of increase in use of goods and services was rise in trainee numbers and increase in cost of goods and services. The Credit Revenue Ratio (CRR) reduced by 0.04%, from 1.09:1 in FY 2022/2023 to 1.05:1 in FY 2023/2024.

The non-current assets at the close of the FY 2023/2024 stood at Kes 56,769,753 Total assets in the same financial year stood at Kes 61,400,076 and total liabilities stood at Kes 3,388,455 giving a favourable Current Ratio (CR) of 16.7:1.

6. Report of the Principal

Introduction

Siruti TVC Awendo entered its third year of operations since inception with evidence of continual and sustained growth. The gross enrolment at the end of the financial year stood at 551 trainees up from 453, representing a growth rate of 21%.

It is worth noting that the College went through its 2nd cycle of Performance Contracting and posted a composite score of 3.2116 up from 3.5178 in FY 2022/2023, which is a significant improvement. In the PSC national values evaluation, the College was ranked fourth nationwide among the TVET institutions, which was also quite commendable. This current year also saw the recruitment of 27 staff members.

The trainees sat for their first KNEC exam in July 2022 exam in the history of the College attained 34%. However, in November 2022 the pass rate attained increased to 68%, March 2023 - 73%, July 2023 - 78%, November 2023 – 64% and March 2024 – 56%. The management has noted this drop and is currently addressing the relevant issues.

The management under the direction of the BoG has continued to develop various policies and operating procedures manuals to guide its operations. The Strategic Plan June 2021- July 2026 has also undergone a mid-term review. This review was also a directive from the government to bring all public institutions under the Bottom-up Economic Transformative Agenda (BETA)

Operational Results

At the close of FY 2023/2024, the College realized revenue of Kes 17,866,117 compared to Kes 12,284,554 for FY 2022/2023. This represented an increase of 45.4%. the budgeted amount for the previous period was Kes 26,336,950. Therefore only 67.8% of the projected revenue was raised. STVCA failed to receive capitation amounting to Kes 3,879,500.

Expenditure likewise increased during the same period, from Kes 13,416,774 in FY 2022/2023 to Kes 18,862,582 in FY 2023/2024 representing an increase of 40.9%. this was majorly because of the increase in use of good and services from Kes 7,412,641 in FY 2022/2023 to Kes 11,723,669 in FY 2023/2024. The primary cause of increase in use of goods and services was rise in trainee numbers and increase in cost of goods and services. The Credit Revenue Ratio (CRR) reduced by 0.04%, from 1.09:1 in FY 2022/2023 to 1.05:1 in FY 2023/2024.

The non-current assets at the close of the FY 2023/2024 stood at Kes 56,769,753 Total assets in the same financial year stood at Kes 61,400,076 and total liabilities stood at Kes 3,388,455 giving a favourable Current Ratio (CR) of 16.7:1.

In the medium term, it is projected that revenue will continue to increase from the from the current projected amount of Kes 28,517,274 for FY 2024/2025 to Kes 87,325,000 for FY 2027/2028. It is also expected that there will be a significant growth of non-current assets. Within this period the equipping of workshops, laboratories, classrooms will continue a yearly basis. Also planned are cabro paved walkways, piping of water around the institution compound, construction of perimeter wall, acquisition of 62-seater college bus, construction of an engineering complex, construction of an administration block among others.

Achievements

In the brief period that the College has been in operation it is noted with great pleasure that several achievements have been made despite the acute resource constraints. Practical materials were procured for Electrical Engineering, Building department and Automotive department. Installation of KENET, production of 40 computer tables 20 Computer 40 staff chairs printer and projector cabinets and office of deputy was furnished. In PC Activities the filing is ongoing in all areas. The institution was ranked the First runner up under the best Technical and vocational Education Institution on DEIB & and Sustainability as well we received certificate Recognition of the FiRe Award for obtaining an unqualified audit opinion under the Technical and Vocational Training Institution category

Governance

The BoG executed their duties until 17 February 2024 when their term expired. However, on 26th April 2024, the Cabinet Secretary for education granted this Board an extension up to 30th June to participate in the then forthcoming recruitment exercise that was to commence on 29th April 2024. The meeting attendances are stated under corporate governance statement. There were no conflicts of interest recorded during the Quarter under review.

The College is managed by the Principals Management Committee (PMC) which comprise of all top management staff. During the year under review, the PMC also executed their role well.

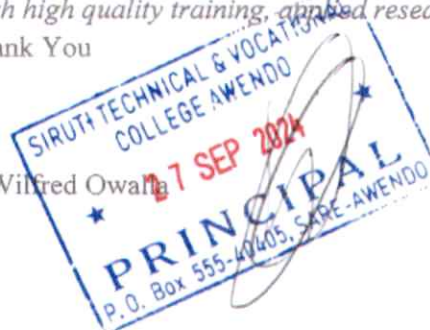
Conclusion

Finally, I would like to express my special thanks to the Siruti TVC Awendo stakeholders, especially the Siruti community and especially the trainees, for the support that they offered to the institution despite the meagre resources. Special mention also goes to the staff who though are on low pay, have worked tirelessly to ensure smooth operation of the institution. The Board is also commended for providing effective leadership and oversight in driving forward the College.

We will continue to be guided by our mission *"To expand human knowledge beneficial to society through high quality training, applied research and practicability in partnership with industry"*.

9 Thank You

CPA Wilfred Owala



PRINCIPAL/BOARD SECRETARY

7. Statement of Performance against Predetermined Objectives

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Achieve Financial Viability and sustainability	To improve revenue base	STVCA Financial Management Operating Procedures	Develop financial procedures	Receipt of FiRe Award under TVET category
		Installed ERP	Strengthen fee collection	ERP acquired
		Records of receipts	Strengthen fee collection	Improved fee collected
	To reduce operational cost	Training reports for specialised staff	Train staff in finance and procurement departments	All staff in finance and procurement department trained
		Approved Budget	Compliance with budgetary estimates	100% compliance with financial, legal and regulatory framework
		Financial statements, Management Reports	Compliance with budgetary estimates	100% absorption noted
	*To generate Appropriation in Aid	Project records and receipts issued	Identify and initiate income generating activities	Increased IGA activities i.e. crop farming, brick making. Kes 147,230 raised.
		Pending bills of less than 1% of revenue	Pay all pending bills from previous year.	Pending bills of Kes 120,000 of FY 22/23 paid.

**SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024**

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements	
Develop a strong and well managed institution	To develop relevant policies and procedures	Approved policy documents	Develop and operationalize policies and procedure manuals	Improved PC score of 3.2116 up from 3.5178 in FY 2022/2023	
	*To review strategic plan	Reviewed Strategic Plan	Undertake review of July 2021-June 2026 Strategic Plan	June 2023-June 2028 Strategic Plan developed	
	*To strengthen staff capacity	Staff Contracts	Undertake recruitment of staff	27 staff members recruited	
	*To train staff	Staff Training Reports	Facilitate training of staff	Sustained staff capacity building	
	*To expand and equip offices	GRN for acquired furniture and equipment	Undertake creation of more office space and equipping the offices	HoDs' offices created and equipped with tables, chairs and lockable lockers, other offices equipped, staffroom chairs acquired, printer and projector acquired	
	*To increase gross enrolment	Trainee Register	Increase gross enrolment in College	Enrolment increased from 430 trainees to 551 trainees	
	To develop competence development	Staff Training and Appraisal Reports	Undertake institutional skills gap analysis, training needs assessment and employee performance management	41 members of staff appraised and trained	
	*To ensure adequate asset management structures	Updated Asset Register	Maintain, update and submit asset register to National Treasury	Asset registers maintained and 100% updated	

SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Provide quality education and training	To enhance 100% syllabus coverage	Approved professional documents	Develop and submit timely all professional documents	Developed and approved professional documents
	*To improve KNEC examination pass rate	Approved KNEC examination pass lists	Improve the KNEC examination pass rate	KNEC pass rate hit 78% in July 2023 examination
	*To enhance co-curricular and extra-curricular activities	Certificated achieved from participation in Co-curricular and extra-curricular activities	Involve trainees in termly ball games	Participation in regional ball games music and drama
	*To integrate ICT in training and learning	GRN for acquired computers.	Integrate ICT in learning and training to ensure acquisition of computer literacy skills	Purchase of 20 computers and 3 online courses established in
*To provide practical training to trainees	GRN for goods that have been produced by trainees	Engage trainees in the development of skills required in the labour market	3,110 bricks /blocks made by trainees and production of 5 bags of maize, 3 bags of Kales and 4,000 fingerlings by trainees	
*To develop partnerships and linkages	Benchmarking Reports	Undertake benchmarking trips by trainees	Benchmarking trips conducted by trainees from Mechanical Engineering Department, Building Engineering Department, Hospitality Department and Agricultural Engineering Department	
		MoU with industry	Sign MoUs with industry to facilitate conducting of practicals	MoUs signed with Sugarland Hotel and Siruti Dispensary
		Insurance cover for trainees	Provide insurance cover to trainees	Insurance cover provided to 127 trainees

**SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024**

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Improve corporate governance and image	*To implement Citizen Service Delivery Charter	Displayed CSDC and tailored departmental CSDC including conversion into braille	Display and customize CSDC and sensitize staff members	CSDC displayed both in English and Kiswahili, converted into braille, sensitized 64 staff members and cascaded and tailored to training departments
	To strengthen Board of Governors	Board minutes and attendance	Conduct Board meetings as per Board Almanac	DIAR award for best TVET institution on DEIB and Sustainability – 1 st runners up for FY 2023/2024 Board meetings conducted as scheduled and fully attended
Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Expand and improve physical facilities	To expand and equip workshops	GRN for acquired furniture and equipment	Acquire training equipment for workshops	Training of equipment acquired for the engineering departments worth Kes 2,163,210
	To beautify the college compound	Installation of enhanced internet coverage Relevant documentation for beautification of compound	Enhance internet connectivity within the institution Undertake activities to beautify the compound	Installation of internet coverage by KENET Beautiful compound with well-manicured grounds maintained and front view of building painted

SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2024

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Enhance risk management, disaster preparedness and promotion of environmental sustainability	To strengthen risk management activities	Risk Register and Objectives Register	Prepare risk and objectives register for all departments and sections	Risk Registers and Objective Registers prepared
		Corruption and Risk Assessment Report	Prepare a corruption and risk assessment report	Corruption and Risk Assessment Reports prepared
		Tree Nursery	Construct a tree nursery	Tree nursery established with many varieties of trees
	To strengthen environmental protection programmes		Participate in the quarterly national tree planting days	2,400 trees planted and 3,400 trees donated during national tree planting days

** refers to objectives also in the performance contracts*

8. Corporate Governance Statement

The Board of Siruti TVC Awendo is responsible for the overall management and governance of the institution and is accountable for stakeholders for ensuring that the institution complies with the law and best practices in education governance and business ethics. The Board members are committed to the need to conduct the business and operations of the College with integrity, quality and respect and in accordance with generally accepted corporate governance practices and apply the internationally developed principles of good governance.

We believe in good corporate governance as an institution. The Board provides leadership through oversight, review and guidance whilst setting the strategic direction. The Board which has an appropriate mix of skills, knowledge and experience to perform its role effectively was inaugurated on Monday 8th March 2021.

Board meetings are held quarterly and as and when the need arises. The meetings are capped at six per annum and any meeting above this requisite amount will require approval from the Permanent Secretary in charge of technical and vocational training. The College ensures that it provides the necessary resources and expertise to the Board to assist it in their decision-making. The Ministry of Education is also regularly consulted on key policy matters.

General Information

The Board has a duty to the people of Kenya to ensure that Siruti Technical and Vocational College Awendo achieves its objectives efficiently and effectively and in compliance with PFM Act, 2012, TVET Act 2013, all relevant Acts of Parliament and all Ministry directives and guidelines issued from time to time

The statutory functions of the Board include:

- Overseeing the conduct of education and training in the institution in accordance with the provisions of TVET Act 2013.
- Promoting and maintaining standards, quality and relevance in education and training in the institution in accordance with TVET Act 2013 and any other written law.
- Administering and managing the property of the institution.
- Developing and implementing Siruti TVCA Strategic Plan
- Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institution.
- Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons.
- Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET Act 2013.

- Mobilizing resources for the institution.
- Developing and reviewing programmes for training and to make representations thereon to TVETA Board.
- Regulating the admission and exclusion of students from the institution, subject to a qualification's framework and the provisions of TVET Act 2013.
- Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by TVETA Board.
- Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry.
- Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institution in consultation with TVETA Board.
- Making regulations governing organization and conduct and discipline of staff and students.
- Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the TVET Board.
- Providing for the welfare of the students and staff of the institution.
- Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution; and
- Discharging all other functions conferred upon it by the TVET Act 2013 or any other written law.

The Board of Governors of Siruti TVC Awendo is appointed by the Cabinet Secretary for the time being responsible for technical education in accordance with the Second Schedule of the TVET Act. The membership comprises of a chairperson, a representative of the Principal Secretary responsible for technical and vocational training, a representative of the county governor of the county within which the institution is located and six other persons appointed based on knowledge and experience in leadership and management, financial management, technology, industry, engineering, and information communication technology. The Board members are expected not only to uphold the provisions of all the relevant acts of parliament, but also ensure consultation with the Cabinet Secretary and appropriate regulatory bodies.

The Board members appointed serve for a term of three years from the date of appointment and shall be eligible for reappointment for a further term of a period not exceeding three years. In appointing and reappointing members to the Board, the Cabinet Secretary shall stagger commencement dates of some members to maintain a proportion of new membership that ensures continuity in the affairs of the Board. A member of the Board may resign by giving notice in writing to the Cabinet Secretary. The appointment of a member of the Board may be revoked and the member shall vacate office in among other things, the member resigns, becomes insolvent, incapacitated, sentenced by a court of law for a term of six months or more, is absent from three consecutive Board meetings or is otherwise unfit to discharge his functions.

Conflict of Interest

Siruti TVCA is committed to the highest standards of transparency, probity and accountability. It seeks to conduct its affairs in a responsible manner considering the requirements of the law. All Board members are under a duty to avoid any conflicts of interest. This entails not engaging, directly or indirectly in any business that competes or conflicts with the institution's business. The Board has established robust process requiring members to disclose outside business interests that would conflict with institutions interests.

Board and Board Committee Meetings

The Board meets regularly, at least four times a year at quarterly intervals and holds additional meetings as and it deems appropriate. This Board, which was appointed on 17th February 2021, lapsed on 17th February 2024. By the close of the year, the new Board had not been reappointed. However, on 26th April 2024, the Cabinet Secretary for education granted this Board an extension up to 30th June to participate in the then forthcoming recruitment exercise that was to commence on 29th April 2024.

Siruti TVCA Board has its own charter that guides the operations of the Board as well as the operations of various committees.

During the period under review, the full Board held meetings as follows:

No.	Name	13 th July 2023	25 th July 2023	7 th Aug 2023	28 th Sept 2024	2 nd Nov 2023	18 th Jan 2024	6 th May 2024	20 th May 2024
1	Charles Odindo	✓	✓	✓	✓	✓	✓	✓	✓
2	Olympia Okal	✓	✓	✓	✓	✓	✓	✓	✓
3	Simeon Obon'go	✓	✓	✓	✓	✓	✓	✓	✓
4	Dr Carolyn Kokeyo	✓	✓	✓	✓	✓	✓	✓	✓
5	Bainitos Hussein	✓	✓	✓	✓	✓	✓	✓	✓
6	Ben Odhiambo	✓	✓	✓	✓	✓	✓	✓	✓
7	Caroline Otieno	✓	✓	✓	✓	✓	✓	✓	✓
8	John Okello	✓	✓	✓	✓	✓	✓	✓	✓
9	Tom Olan'go	✓	✓	✓	✓	*	-	-	-
10	Dr John Osoro	-	-	-	-	-	*	✓	✓
11	CPA Wilfred Owalla	✓	✓	✓	✓	✓	✓	✓	✓

- ✓ means member attended meeting
* means member did not attend meeting
- means not yet appointed or exited

The TVET Act allows the Board to establish such committees as it may deem necessary to perform such functions and discharge duties as it may determine. Currently STVCA the has following operational committees to effectively deal with specialized issues.

- Education, Research and Training (ERT) Committee
- The Finance, Infrastructure and Resource Mobilization (FIRM) Committee
- The Audit Risk and Compliance (ARC) Committee

The mandates of these committees are clearly defined in each of the Committees' Terms of reference. The committees make recommendations for action to the full Board, which retains the collective responsibility for decision making. The Board therefore receives for adoption, the reports for all committee meetings as well as a verbal report from the Committee Chairpersons on significant areas of discussion and key decisions.

The Committees membership is structured to spread responsibility and make the best use of the range of skills across the Board.

Education, Research and Training (ERT) Committee

The purpose of the ERT Committee is to monitor and oversight STVCA's activities in education, research and training.

The terms of reference, among others, of the ERT Committee are as stated below:

- i. *To oversee the preparation and regular review of STVCA's Academic Policy; Research Policy and Staff Development and Training Policy and compliance to the provisions thereof.*
- ii. *To receive and consider proposals for collaborations with other institutions of higher learning, research and technology institutions for the enhancement of technological, professional and scientific education.*
- iii. *To receive and evaluate regular reports on academic progress, conduct of examinations and consider academic awards.*
- iv. *To receive and consider proposals for development and further training of the academic staff of the STVCA.*

During the period under review, the committee held meetings as follows:

No.	Name	12 th July 2023	18 th October 2023	03 rd Jan 2024
1	Dr Carolyne Kokeyo	✓	✓	✓
2	Ben Odhiambo	✓	✓	✓
3	Olympia Keino	✓	✓	✓
4	John Okello	*	✓	✓
5	Tom Olango	*	*	-
6	Dr John Osoro	-	-	*
7	CPA Wilfred Owalla	✓	✓	✓

- ✓ *means member attended meeting*
- * *means member did not attend meeting*
- *means not yet appointed or exited*

The Finance, Infrastructure and Resource Mobilization (FIRM) Committee

The FIRM Committee is appointed to provide financial oversight to STVCA.

The terms of reference, among others, of the FIRM Committee are as stated below:

- i. *Receive and consider estimates of revenue and expenditure of the STVCA before the commencement of each financial year.*
- ii. *Receive and consider quarterly and annual financial statements to ensure they comply with generally accepted accounting principles and standards.*
- iii. *Review the policies, processes and programs management has put in place to prepare, prevent and protect the institution from financial risks.*
- iv. *Monitor and review procurement of works, goods and services at STVCA to ensure compliance to established laws, regulations, policies and procedures*

During the period under review, the committee held meetings as follows:

No.	Name	1 st Aug 2023	25 th October 2023	10 th Jan 2024
1	Bainitos Hussein	✓	✓	✓
2	Caroline Otieno	✓	*	✓
3	Olympia Okal	✓	*	*
4	John Okello	✓	✓	*
5	Tom Olango	✓	*	-
6	Dr John Osoro	-	-	*
6	CPA Wilfred Owalla	✓	✓	✓

- ✓ means member attended meeting
* means member did not attend meeting
- means not yet appointed or exited

The Audit Risk and Compliance (ARC) Committee

The ARC Committee assists the Board to monitor the integrity of STVCA's financial reporting, risk management framework and internal controls.

The terms of reference, among others, of the ARC Committee are as stated below:

- i. *Ensure that all policies, institutional framework and administrative procedures of STVCA effectively support implementation of the constitution.*
- ii. *Establish internal procedures and monitoring system to promote compliance with applicable laws, regulations and standards,*
- iii. *Ensure a compliance strategy that is aligned to the operations of STVCA*
- iv. *Independently review of the STVCA's Annual Financial Statements to ensure the integrity and transparency of the financial reporting process.*
- v. *Oversee implementation of appropriate systems to identify, monitor and mitigate significant financial risk.*

During the period under review, the committee held meetings as follows:

No.	Name	5 th October 2023	12 th Jan 2024
1	Simeon Obon'go	✓	✓
2	Dr Carolyne Kokeyo	✓	*
3	Ben Odhiambo	✓	*
4	Calfax Nanyuki	✓	✓

- ✓ means member attended meeting
* means member did not attend meeting
- means not yet appointed or exited

Board Members Emoluments

The Board members are paid an allowance which is included in the Board Expenses in the Annual Report and Financial Statements

Risk Management and Internal Controls

The Board has overall responsibility for the establishment and oversight of the institution's risk management frameworks. The Risk Management Policy has been established to identify and analyse the risks faced by the institution and to set appropriate risk limits and controls, and to monitor adherence to these limits. Risk management policy and procedures are reviewed regularly to reflect changes in operating conditions, legislation and services offered. Subsequently, the institution identifies and manages risk through in-house risk review enhanced by compliance, internal and external audits.

The Institution has in place a system of internal controls with defined operating procedures, financial and operational controls to ensure that resources are safeguarded; transactions authorised, validated and reported in line with International Public-Sector Accounting Standards.

Compliance

The Board confirms that it is satisfied that the though the institution currently has inadequate resources it can continue operating for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements.

The Board is satisfied that the institution as to the best of their knowledge complied with all relevant laws and conducted its business affairs in accordance with the law in particular to.

- The Constitution of Kenya, 2010
- TVET Act, 2013
- PFM Act, 2012
- Procurement and Assets Disposal Act, 2015
- IPSAS standards.
- Mwongozo Code of Governance

- All other relevant laws in its operation (regular circulars from Treasury and Ministry of Education)

Siruti Technical and Vocational College Awendo also has 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 inter alia; Financial Management Policy, Procurement Policy, and Academic Policy.

Information Technology

Siruti TVCA's ICT infrastructure and information systems are a crucial aspect of its business operations. The College's technologies, communication infrastructure and institutional data are governed by an ICT Policy comprising of standards that adhere to global best practices as well as local regulatory requirements. The College has effectively prepared for the receipt of the one hundred computers for the Jituume Labs by engaging KENET for effective internet provision and purchasing of infrastructure appropriate and necessary as it awaits the delivery of these additional computers.

Procurement

Siruti TVCA has established a procurement policy whose primary objective is to ensure that best total value is achieved when procuring goods and services while simultaneously ensuring it supports the institution mission and operations.

This policy is designed to ensure that the procurement function is conducted in a transparent manner that promotes fair competition, instils integrity, transparency and fairness while eliminating arbitrariness in the entire process. This does ensure increased confidence in the process by all stakeholders.

Internal Audit

The internal audit function is strategically independent of management and reports to the Board through the ARC Committee. This function provides an assurance that the institutions financial and operational risks are being managed appropriately and that the internal control framework is operating effectively.

Currently, STVCA is unable to employ an internal auditor and has used the services of the internal auditor from Kisii National Polytechnic who has been in office for this year under review.

9. Management Discussion and Analysis

INTRODUCTION

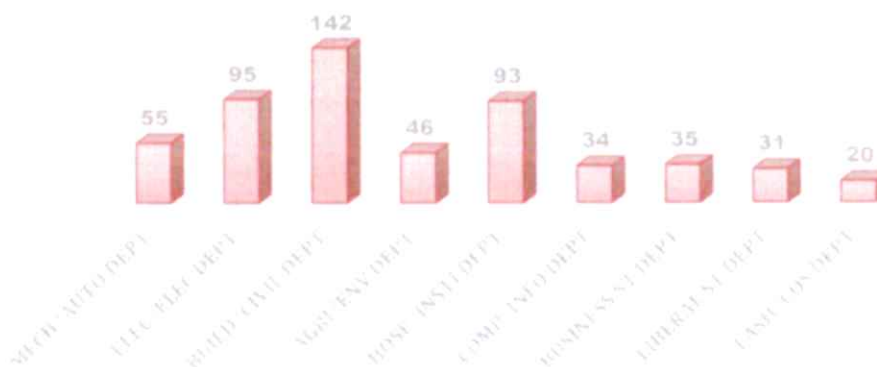
This discussion and analysis provide an overview of the results of activities and financial position of Siruti Technical and Vocational College Awendo. This overview has been prepared by management and should be read in conjunction with the financial statements and the notes that follow.

OPERATIONAL HIGHLIGHTS

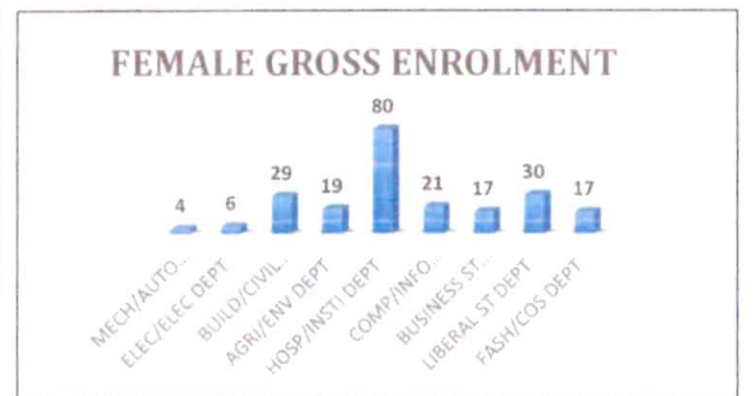
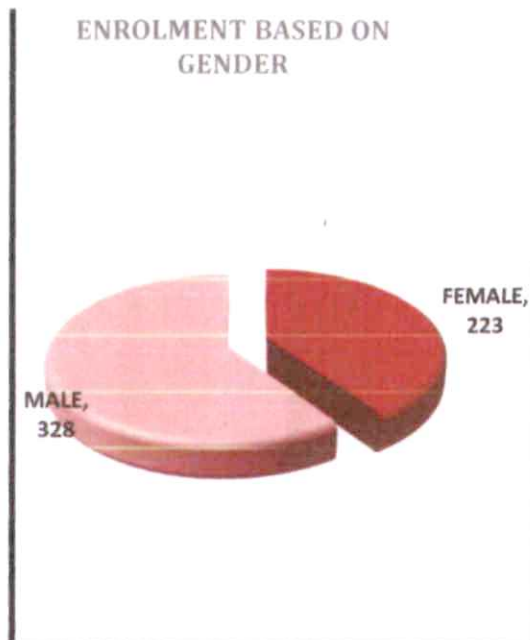
Siruti Technical and Vocational College Awendo enters its fourth year of operations with evidence of continual growth. It is committed to be a world class college in the provision of technical, vocational training and applied research. To achieve this, the College has put into place various strategic goals with clear key result areas, objectives, outcomes, objectives and various activities to achieve its mission and vision.

Since inception of the College in February 2021, the trainee gross enrolment has steadily risen to currently stand at 551. SET courses have continued to record commendable growth rates as compared to non-SET courses.

TRAINEE GROSS ENROLMENT AT 30TH JUNE 2024



Of the 551 trainees, the female trainees comprise of 223 trainees as compared to male trainees at 328 trainees giving a ratio of about 2:3. The female trainees have dominated the Hospitality and Institutional Management Department whereas the female trainees have dominated the Engineering departments



In September 2023, the Ministry of Education gave a directive in the implementation of CBET courses with the systematic phasing out of KNEC courses. Currently the enrolment for CBET courses stands at 80 trainees.

The College has continued to expand its internet connectivity through Wi-Fi and the hotspots within the College compound. This was accomplished by the signing of a contract with KENET. It will be recalled that in the previous year, the college did implement the Enterprise Resource Planning from ABNO Solutions but did not fully utilize it due to internet challenges. It is now envisaged that with the enhanced internet, there will be increased efficiency and effectiveness in service delivery in financial management, records management, timetabling, production of progress reports among other items.

Training of skills required in the labour market had continued earnestly and is evidenced by the signing of two MoU's with industry. Numerous benchmarking trips have been undertaken and trainees have been engaged in more practical work and lesson. Trainees have participated in various economic activities within the college, e.g. painting of the College, making of blocks and bricks, making of computer desks for the Jitume Labs among others.

The result of these sustained efforts has been resulted in improved performance in the national examinations with the institution scoring an all-time high percentage pass of 78% in KNEC July 2023 series.

KNEC % PASS RATE



Siruti TVCA recognises that our trainees education goes beyond coursework and practicals. The College has facilitated extracurricular activities as a way of promoting holistic growth of the trainees. Our trainees participated in both regional football and music competitions despite the serious financial difficulties faced by the institution.

Staff numbers have also continued increase to reflect the increasing number of trainees. The current staff strength stands at 45 with 18 female and 27 male staff, a ratio of 2:3. The College is managed by a management team referred to as the Principals Management Committee comprising of 9 members.

TOTAL STVCA STAFF

18 

27 

HoDs

5 

4 

We are happy to note the intention of the Ministry of Education to add us nine new trainers employed by the PSC. These nine staff underwent rigorous interview process, and we are awaiting appointment confirmation letters from PSC. The Board did recruit 27 staff members.

Staff have undergone various trainings throughout the year. All trainers also underwent two trainings in the newly introduced CBET courses. The finance and procurement staff also underwent trainings in their areas of specialization. Various policies underwent a review, and 6 new policies were developed.

It is also good to note that more office space was created for the HoDs by partitioning the bigger offices. These newly created offices were furnished with tables chairs and storage lockers. In addition, the college acquired a printer, projector and additional twenty computers.

Our Strategic Plan 2021-2026 was due for a mid-term review and this exercise coincided with the GoK directive to have all MDAs strategic plans revised to align with the BETA. Our Strategic Plan July 2023-June 2028 is ready and operationalized.

The College went through the 2nd cycle of Performance Contracting and posted some impressive score of 3.21 up from 3.52 in FY 2022/2023.

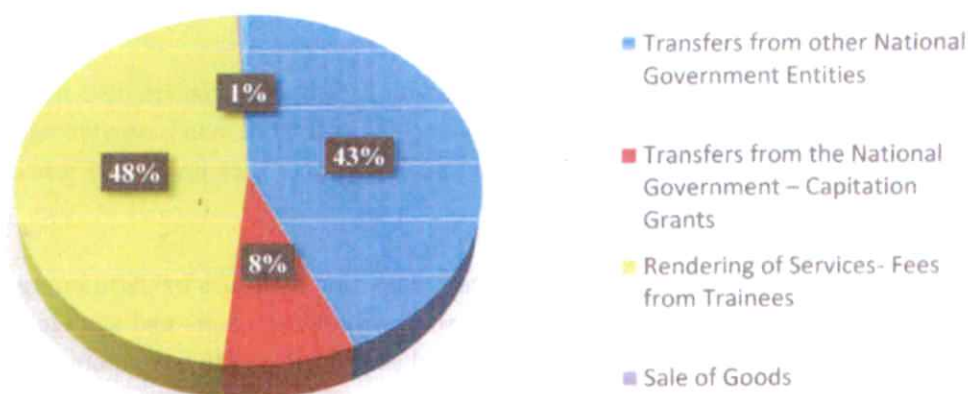
FINANCIAL HIGHLIGHTS

Revenue

At the close of FY 2023/2024, the College realized revenue of Kes 17,866,117 compared to Kes 12,284,554 for FY 2022/2023. This represented an increase of 45.4%. the budgeted amount for the previous period was Kes 26,336,950. Therefore only 67.8% of the projected revenue was raised. STVCA failed to receive capitation amounting to Kes 7,134,500.

The revenue requirements in the medium term, are projected to increase from Kes 17,866,117 in FY 2023/2024 to Kes 38,559,929 in FY 2027/2028 representing an increase of 115.8%.

REVENUE BY CATEGORY



Fees from trainees of Kes 8,498,173 was largely supported by HELB. Capitation grants which should have been the highest contributor stood at only Kes 7,720,714. The College received only Kes 14,000 per trainee instead of Kes 30,000. It is important to note that the artisan trainees who dropped out from standard 8 were also not funded. Income generating activities was a paltry 1% of total income Kes 147,230 but an increase of 269% at Kes 39,860 from the previous FY2022/2023. This increase was a result of increased farming activities, brick making and other assorted activities.

It is hoped that in FY 2024/2025, income of the institution will increase because of increased enrolment. Various strategies are also in place to increase income from income generating activities. In the Budget Statement FY 2024/2025, it is projected that the College will raise Kes 600,000.

TOTAL REVENUE PER FY



Expenditure likewise increased during the same period, from Kes 13,416,774 in FY 2022/2023 to Kes 18,862,582 in FY 2023/2024 representing an increase of 40.9%. This was majorly because of the increase in use of goods and services from Kes 7,412,641 in FY 2022/2023 to Kes 11,723,669 in FY 2023/2024. The primary cause of increase in use of goods and services was rise in trainee numbers and increase in cost of goods and services. The Credit Revenue Ratio (CRR) reduced by 0.04%, from 1.09:1 in FY 2022/2023 to 1.05:1 in FY 2023/2024.

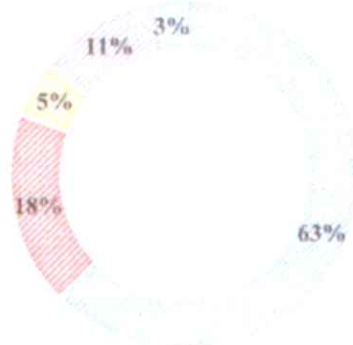
Employee costs which stood at Kes 3,349,265 represented 17.8% of the total costs a reduction of 4.3% from 22.1% in FY 2022/2023. This difference is not considered to be significant because the employee costs to operation costs stood at 20.2% down from 26.2% the previous year meaning that for every shilling received in FY 2023/2024, 4.6% went to other expenditure heads.

It is important to note that employee costs to total revenue stood at 18.8%, which did not exceed the recommended 35% and was also 20.2% of operation costs which again did not exceed the recommended 30%.

The development expenditure was Kes 2,063,210. This was 12.5% of total recurrent expenditure, which fell below the requisite 30%. There is therefore needed to acquire more assets. This has already been factored in the

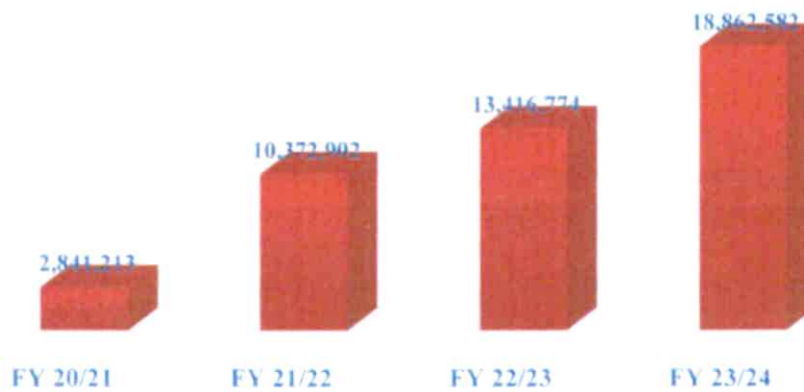
EXPENSES BY CATEGORY

- Use of Goods and Services • Employee Costs • Board Expenses
- Depreciation Expense • Repairs and Maintenance



Use of goods and services took 63% of total expenses, essentially because this is basically expenditure on training. It was important to note that the Board expenses does not exceed the recommended 5% of total expenses.

TOTAL EXPENSES

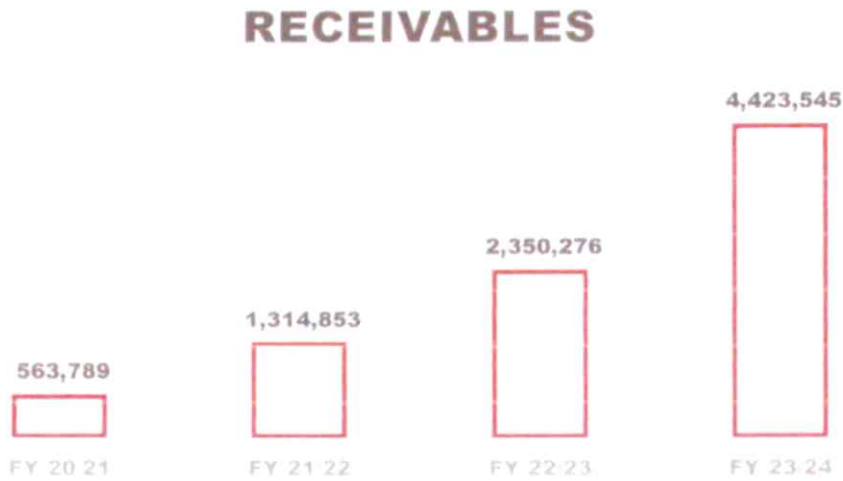
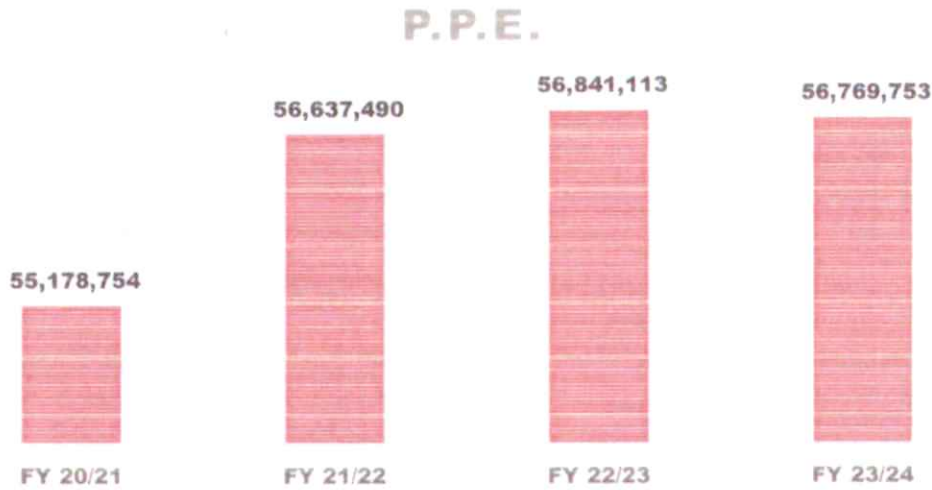


Total expenses have continued to rise over the years because of increased number of trainees. As the College grows, the running expenses also tend to increase.

Projected expenditure are expected to increase from Kes 18,862,582 in the FY 2023/2024 to Kes 87,325,000 in the FY 2027/2028 representing an increase of 362.9%. This massive % increase in expenditure is as a result of planned infrastructural developments in the medium term.

ASSETS

Property Plant and Equipment currently stand at Kes 56,769,753. There has been a marginal increase in assets over the years. Due to funding constraints, restocking of the College with equipment usually happens when the cutting list from the examining body is received. However, there is noted a substantial growth in PPE from 2021 at the inception of the College.



Receivables have reflected a dramatic increase. This is because of a major sponsor who has not honoured his obligations even though we continue to have their trainees around. Efforts are being made to have them meet their obligations as is required.

It is important to note that the College has continued to effectively service its existing obligations as and when they arise. The College currently has no borrowings and the trade and other payables of Kes 404,000 arose from supplies incurred in the last quarter of the year and whom would have been had capitation been received in full and on time.

Compliance with Statutory Requirements

The College is operating under legal frame works necessary under public sector requirement such as.

- The Constitution of Kenya, 2010
- TVET Act, 2013
- PFM Act, 2012
- Procurement and Assets Disposal act, 2015
- IPSAS 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. The Board has already approved the Academic Policy, Financial Management Policy and Procurement Policy.

Risk Analysis

Operational Risks

The Board has overall responsibility for the oversight of the College risk management framework. The College is developing risk management policies to identify and analyse the risks faced by the College, set appropriate risk limits and controls and monitor risks and adherence to limits. These risk management policies and systems will be reviewed regularly to reflect the changes in economic conditions and the College activities. The Principal will then oversee how management monitors compliance with the College risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the College.

The College faces a high level of competing interests for resources. There is a high level of competition for trainees in the College catchment area from other public and private TVET Colleges within the region.

The College financial assets comprise of receivables, cash and short-term deposits which arise directly from its operations. The financial liabilities comprise of payables including a loan taken from the mentor institution. The College is therefore exposed to both liquidity risks and credit risks.

Liquidity Risk

This is the risk that the College will not meet its financial obligations as they fall due. There is therefore needed to increase the number of trainees to cover the fixed costs. The College's approach managing liquidity is to ensure as far as possible, that there is always sufficient liquidity to meet liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damaging the College's reputation. Typically, the College ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days including the servicing of financial obligations. This however does not include the potential impact of extreme circumstances that cannot be reasonably predicted such as political violence. All liquidity policies and procedures are subject to review and approval by the Board. It is very important to note that the College faces a liquidity risk of non-receipt of capitation grants from GoK which may prevent it from meeting its financial obligations as and when they fall due.

Credit Risk

Credit risk is the risk of financial loss to the College if a customer or counter party to a financial instrument fails to meet its current obligations. The receipt of fees from students minimizes the credit risk exposure. The College has a policy on fee payment which defines how and when fees are supposed to be paid. This minimizes the credit risk exposure. Currently 60.6% of the College's receivables are performing.

It important to note that the College now under performance contracting and it is envisaged that this will greatly improve its operational efficiency.

10. Environmental and Sustainability Reporting Statement

Siruti Technical and Vocational College Awendo exists to transform lives. This is our purpose, the driving force behind everything we do. This is what guides us to deliver our strategy of putting the customer first, delivering relevant goods and services and to improve operational excellence.

Sustainability Strategy and Profile

The College's approach to sustainability is based on the College mission to expand human knowledge beneficial to society through high quality training, applied research and practicability in partnership with industry players.

The institution has recognised the importance of sustainable growth, included it in its core values in the revised Strategic Plan and has initiated programmes to generate income to cushion its operations. It also is establishing policies and programmes that are needed to promote sustainable development especially at local and regional level. The College has also signed two MOUs with two industry players, to among others, enhance its capability to generate income in collaboration with industry.

Sustainability has also been incorporated into trainee learning through both curricular and co-curricular programs by introducing practicability into the programmes as well as incorporating on-job practical training. Programmes have also been undertaken aimed at increasing the capacity and capability of the trainers through development workshops and trainings.

Research and innovation are an important component of sustainability. In the FY 2023/2024 budget estimates, a total amount of Kes 1,215,000 representing 5.2% of Siruti TVCA annual budget, has been allocated for research and innovation activities. The institution therefore came up with the following activities to supplement its income. These included i) generation of income from farm activities, and ii) generation of income from workshop activities.

In the FY 2023/2024, the College in its approved annual work plan, under the performance contract guidelines, has committed to developing partnerships and linkages with industry to provide learning opportunities for trainees, applied research opportunities for trainers and benefit to community.

Our physical facilities include halls and grounds continue to be freely available to serve the community. Sports facilities especially the fields are open for use by the community on arrangement but free of any charges.

We will continue to engage with key stakeholders to achieve sustainability strategies in line with international best practice.

Environmental Performance

Siruti TVCA recognises that its operations can have direct and indirect impact on the environment and the communities in which it operates. The Colleges objective is to responsibly manage the environmental and social risks associated with its operations to minimize negative impacts on the environment and stakeholders. To meet these environmental aims, the College:

- Is up to date with best practice in relation to environmental sustainability and complies with all relevant legislation, regulations and guidelines both for national and county governments.
- Minimizes outputs associated with solid waste generation in all areas through the application of integrated waste management practices of respect, refuse, reduce, reuse, recycle, renew, responsibility rethink, replant and restore.
- Reduces energy consumption through adopting energy saving strategies and technologies.
- Optimises water use

Siruti TVCA also strives to be a responsible institution representing the highest standards of ethics and professionalism. We have reviewed the global best practice guidelines and standards including IPSAS, to help inform relevant policy areas. It is therefore important that STVCA is aware of current environmental issues and informs, educates and stand with the local community to improve the environment.

Our institution's social responsibilities are defined by both compliance and proactiveness. STVCA, compliance refers to our commitment to upholding all legal requirements, and our willingness to observe, acknowledge, and respect community values and laws.

Our proactiveness is manifested by emphasizing and recognizing human rights locally and globally, and actively engaging with our communities through volunteering, community service, pro-bono service, and philanthropy, while always protecting and respecting our natural environment through our actions and policies. This can be seen in the way the College engaged in tree planting within the compound to improve the environment.

As an institution, we implement policies and act to drive diversity and inclusion by providing an inclusive environment where all are empowered to share their diverse perspectives and experiences so we can ultimately be better together. Our policies, practices, programs, activities, and decisions regarding employment, hiring, assignment, promotion, compensation, volunteerism, and internships are not based on a person's ethnicity, colour, sex, age, religion, national origin, mental or physical disability, ancestry, sexual orientation, gender identity or expression, marital status, source of income, parental status, housing status, or other protected status. We strongly encourage women, youth, persons with disabilities, and members of the community to join the institution and live our shared values.

Siruti TVCA will always:

- Respect and uphold applicable local, county, and national laws to the best of our abilities
- Honour and review all internal policies for complete and responsible implementation
- Ensure that all business transactions and relationships are legitimate, free of influence and bribery
- Keep all partnerships and collaborations transparent and open
- Recognize that privacy is a fundamental right, and we will comply with all privacy laws and expectations. In addition, we will work whenever possible to ensure that we respect the ability for all to manage their personal data.

Siruti TVCA values our natural environment and the need to protect it. Keeping our environment unpolluted and clean is paramount to the success of our communities and business. We will always follow best practices in disposal of garbage, compost, and seek out working facilities that strive to minimize their carbon footprint through National Environmental Management Authority (NEMA) certification and other environmentally sustainable best practices.

As part of our contribution to mitigate the effects of climate change, STVCA believes in conserving and protecting the environment for a better future. The College established a thriving tree nursery in line with the government guidelines. Progressively, fruit tree seedlings were also introduced into the nursery. The staff and trainees have collectively planted over 2,000 tree seedlings in Siruti Comprehensive School, Siruti Secondary School, Siruti Dispensary and Siruti Catholic Church. During the two national tree planting days held in Migori TTC and Ulanda Girls Secondary School, the College donated a total of over 3,400 seedlings.

Employee Welfare

We recognize the value of human relationships and put people at the heart of our business. We seek to treat all staff fairly and consistently, to create a workplace and business environment that is open, transparent, and trusted. Aligned with this approach, all members of the STVCA are required to conduct their activities in accordance with our codes and policies, as they are implemented and updated from time to time.

STVCA respects all employees and strive to make their experience a positive one in all aspects of their relationship with the institution. Our success is closely tied to staff happiness, growth, development, and teamwork, and we work to assess, always measure and support the personal and professional growth of our employees, recognizing that the success of STVCA is led first by the success and happiness of our people.

We require our staff to act according to the highest standards of honesty and integrity as well as comply with all legal and regulatory requirements, which extend to the protection of human rights. Consequently, STVCA is committed to developing all cadres of staff. The College deliberately budgets and expends monies for staff trainings.

As an institution, we will always ensure that we do not risk the health and safety of our employees and community, we avoid harming the lives or safety of local and indigenous people, and we respect the basic human rights of all people, involved in our business. STVCA is dedicated to protecting human rights. We practice and commit to equal opportunity employment and will always abide by fair labour practices. Additionally, STVCA will ensure that our activities do not directly or indirectly violate human rights in any way.

As an institution, we commit to mainstream all matters concerned with gender and equality in accordance with the National Gender and Equality Commission Act of 2011. There is a Gender Mainstreaming Committee in place to coordinate and monitor all gender issues in the institution. This committee has come up with the Gender Based Violence Policy, Gender and Development Policy, Child Protection Policy, and Sexual Harassment Policy. All staff are also expected and annually sign a Child Protection Commitment Form. We support gender equality as enshrined in Sustainable Development Goal – 5. This also informs our practices and policies that incorporates their different needs and experiences. In this year under review, the gender ratio was as follows:

STAFF		
Gender	Number	Ratio %
Female	18	40
Male	27	60
TOTAL	45	100

PRINCIPALS MANAGEMENT COMMITTEE		
Gender	Number	Ratio %
Female	7	54
Male	6	46
TOTAL	13	100

HEADS OF DEPARTMENT		
Gender	Number	Ratio %
Female	5	56
Male	4	44
TOTAL	9	100

The College continuously conducts staff appraisals for its members of staff. The College also has developed a reward and recognition mechanism that outlines how staff members are rewarded and recognized.

The institution has put in place measures to ensure employees safety and health in accordance with the Occupational Safety and Health Act – 2007 by:

- Maintaining a healthy and safe working environment for all employees.
- Ensuring that all employees take responsibility to ensure their safety when working, and also ensure the safety of others.

Market Place Practices

Diversity and inclusion are deeply ingrained in all aspects of our mission. These are core values to our institution because they are aligned to our institution's ethics. These policies also have the added value of improving training performance. Studies show that more diverse teams perform better, and institutions that have more inclusive environments also experience less turnover, have higher internal morale, and higher productivity rates from their employees. This commitment extends beyond the employee base to the highest levels of ownership and the administrative team.

We believe successfully inclusive workplaces begin with thoughtful hiring and recruiting processes that reduce subconscious bias in candidate selection and increase the overall diversity of our workforce. We employ industry-leading methodologies, processes, and technology to attract diverse talent pools, counteract bias, and match the best talent to the needs of our clients. Our methodology includes publishing gender neutral job descriptions. And to help foster the most inclusive climate possible, we will provide ongoing diversity and inclusion training to all employees, not just our management teams. We believe this is the only way to truly shape a more safe, open, and productive work environment at all levels of our training.

STVCA has qualified Procurement Manager who participates appropriately according to procurement standards thus ensuring that the procurement process has a smooth flow. The supplier and supply chain relation are perfectly respectable by having prompt communication to avoid misunderstanding between them thus supply of quality goods. Product stewardship is enhanced by safeguarding consumer rights and interests.

As part of our procurement policy, we expect all our suppliers to abide by the same principles and codes of conduct that we have in place. Accordingly, our suppliers must either agree to adhere to our policies and codes or confirm their adherence to their own codes of business conduct that comprise the same principles. We will be implementing a "right to audit" clause in our standard terms or conditions to allow for oversight of compliance with these provisions.

We believe that our commitment to sustainability and ethics extends beyond our own work capabilities and should include the decisions we make as a company about the partners we align with, and the products and services we buy. Our purchasing policy takes sustainability and ethical sourcing into consideration throughout all stages of the buying cycle, and we encourage our teams to support local and small businesses and support local economies. We encourage our purchasing teams to consider ethical sourcing and sustainability across all purchases. STVCA expects our suppliers to treat workers and employees with respect and fairness, to have suitable procedures in place, and to act in accordance with applicable laws.

Our trainees participate in all extracurricular activities that the KATTI Lake Region hosts. In this year under review, the institution achieved certificates in music, athletics and football men.

However, participation in music competition was hampered by lack of participation funds because of non-remittance of capitation monies.

Community Engagements

As noted in our mission statement, STVCA recognizes an expectation to have a positive impact on our community, and we promote this expectation through philanthropy, pro-bono service work, volunteering, and community service.

As noted earlier above, there was active participation by staff and trainees in planting of trees within the environs of Siruti TVCA. This was further firmed by donation of tree seedlings to members of the community as well as donation to the national days tree planting exercises.

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended 30 June 2024 which show the state of Siruti Technical and Vocational College Awendo.

Principal Activities

The principal activities of Siruti Technical and Vocational College Awendo are to provide training in technical and vocational skills, research, innovation and management services. In addition, the College participates in technological innovation beneficial to the society as well as contributing to industrial and technological development of Kenya in partnership with industry.

Results

The results of Siruti Technical and Vocational College Awendo for the year ended 30th June 2024 are set out on pages 1 to 29.

Board of Governors

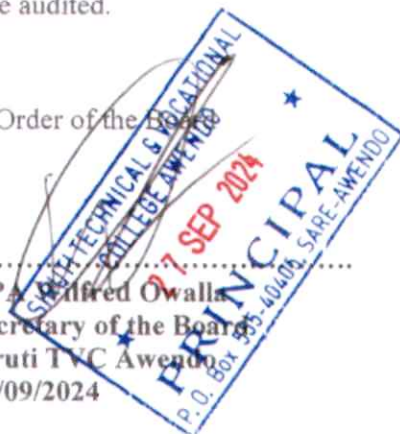
The members of the Board who served during the year are shown on page v-vi. During the financial year, Mr Tom Olango who was the representative of the Permanent Secretary to the Board, was replaced by Dr John Osoro both as the Regional Director TVET – Migori County and thereby the PS representative on the Board. The tenure of the Board lapsed on 17th February 2024 and the nomination process for the new Board is ongoing and being finalized. By close of the year on 30th June 2024, the new Board had not yet been reappointed.

Auditors

The Auditor General is responsible for the statutory audit of Siruti Technical and Vocational College Awendo in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. However, being the first year of operation there were no previous financial statements to be audited.

By Order of the Board

CPA Wilfred Owalla
Secretary of the Board
Siruti TVC Awendo
27/09/2024



12. Statement of Board of Governors Responsibilities

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


The Board members are responsible for the preparation and presentation of Siruti TVCA's financial statements, which give a true and fair view of the state of affairs of Siruti TVCA for and as at the end of the financial year ended on June 30, 2024. 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 Siruti TVCA; (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 Siruti TVCA; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Siruti TVCA's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The Board members are of the opinion that Siruti TVCA's financial statements give a true and fair view of the state of Siruti TVCA's transactions during the financial year ended June 30, 2024, and of Siruti TVCA's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Siruti TVCA, which have been relied upon in the preparation of Siruti TVCA's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the Siruti TVCA's ability to continue as a going concern. The Board has made an assessment and nothing has come to the attention of the Board members to indicate that Siruti TVCA will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of Financial Statements

The Siruti TVCA's financial statements were approved by the Board on 27/09/2024 and signed on its behalf by:


Charles Odindo
Chairperson of the Board



REPUBLIC OF KENYA

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



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

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO FOR THE YEAR ENDED 30 JUNE, 2024 – STATE DEPARTMENT FOR TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

PREAMBLE

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

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

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Siruti Technical and Vocational College Awendo set out on pages 1 to 30 which comprise of the statement of Financial

Report of the Auditor-General on Siruti Technical and Vocational College Awendo for the year ended 30 June, 2024 – State Department for Technical and Vocational Education and Training

Position as at 30 June, 2024 and the statement of Financial Performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matter(s) discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Siruti Technical and Vocational College Awendo as at 30 June, 2024 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 do not comply with the Technical and vocational Education and Training Act 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Unsupported Property, Plant and Equipment

The statement of financial position reflects a balance of Kshs.56,769,753 in respect of property, plant and equipment. However, this balance has not been supported by a schedule and ledger. Further, Note 19 to the financial statements show asset movement schedule, however, no depreciation or impairment has been recognized on intangible assets.

In addition, Management did not provide support for the additions during the year amounting to Kshs.2,063,210.

In the circumstances, valuation and completeness of Property Plant and Equipment balance of Kshs.56,769,753 could not be confirmed.

2. Unsupported Cash and Cash Equivalent

The statement of financial position reflects a balance of Kshs.145,790 in respect of cash and cash equivalent. However, the balance was not supported with a bank reconciliation statement and certificate of balance for the two (2) bank accounts operated by the College.

In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.145,790 could not be confirmed.

3. Unsupported Chairman's Honoraria

The statement of financial performance reflects an amount of Kshs.968,797 in respect of board expenses. However, this amount includes Kshs.261,237 paid under Chairman's Honoraria for the year under review which translates to Kshs.21,769 per month exceeding

approved rate of Kshs.10,000 or Kshs120,000 by Kshs141,228. This is contrary to circular Ref No. MOE/VT/10/17 Vol.1(60) which provides for payment of chairman's honoraria at Kshs.10,000 monthly.

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

4. Revenue from Exchange and Non- Exchange Transactions

4.1. Unsupported Revenue from Rendering of Services

The statement of financial performance reflects an amount of Kshs.8,498,173 in respect of rendering of services and as disclosed in Note 7 to the financial statements. These amounts include tuition fees Kshs.1,442,170, Activity fees Kshs.1,043,069, Industrial attachment fees Kshs.240,150, examination fees Kshs.1,023,498, local transport Kshs.1,665,311, student union Kshs.100,000, medical fees Kshs.8,030, EW&C Kshs.400,000, RMI Kshs.392,770 and personal emoluments Kshs.1,569,051 amounting to Kshs.7,884,049. However, the supporting schedules for these balances were not provided for audit.

In the circumstances, the accuracy and completeness of the rendering of services revenue amounting to Kshs.8,498, 173 could not be confirmed.

4.2. Failure to Disclose Caution Money

The statement of financial performance and as disclosed in Note 7 to the financial statements reflect Kshs.8,498,173 in respect of rendering of services. However, the College did not disclose caution fees collected from the students which form part of the approved fee structure.

In the circumstances, the accuracy and completeness of the rendering of services amount of Kshs.8,498,173 could not be confirmed.

4.3. Failure to Adhere to the Approved Fee Structure

Note 7 to the financial statements reflect an amount of Kshs.8,498,173 in respect of rendering of services which includes advertising fees and internet expenses amounting to Kshs.194,053 and Kshs.420,170 respectively which are not part of the approved fee's structure.

In the circumstances, the accuracy and completeness of the rendering of services amount of Kshs.8,498,173 could not be confirmed.

4.4. Unsupported Statement of Financial Position Account Balances

The statement of financial position reflects balances in respect of receivables from exchange transactions Kshs.4,423,545, Inventories Kshs.60,988, property, plant and equipment Kshs.56,769,753, trade and other payables Kshs.404,000 and deferred

income Kshs.2,984,455. However, these balances were not supported with supporting schedules and general ledgers.

In the circumstances, the accuracy and completeness of these balances could not be confirmed.

4.5. Unsupported Use of Goods and Services

The statement of financial performance reflect an amount of Kshs.11,723,669 in respect of use of goods and services as disclosed in Note 10 to the financial statements. However, review of the payment vouchers provided for audit review revealed that the payments amounting to Kshs.454,200 were not supported with relevant supporting documents.

In the circumstances, the accuracy and completeness of use of goods and services amounting to Kshs.11,723,669 could not be confirmed.

4.6. Unsupported Sale of Goods and Other Income

The statement of financial performance reflects an amount of Kshs.8,645,403 in respect of revenue from exchange transactions. Included in this amount is sale of goods and other income amounting to Kshs.57,630 and Kshs.89,600 respectively totalling to Kshs147,230. However, Management has not provided supporting schedules to support sale of goods and other income.

In the circumstances, the accuracy and completeness of the revenue from exchange transactions amounting to Kshs.8,645,403 could not be confirmed.

4.7. Variance between the Supporting Ledger and Financial Statement Balance

The statement of financial performance reflects an amount of Kshs.968,797 in respect of Board Expenses, however the supporting schedule reflects an amount of Kshs.828,747 resulting to unexplained and unreconciled variance of Kshs.140,500.

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

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amount reflects final receipts budget of Kshs.26,336,950 and actual on comparable basis amount of Kshs.17,866,117 resulting

in under absorption of Kshs.8,470,833 or 32% of the budget. Similarly, the College expended Kshs.18,686,336 against the approved budget of Kshs.26,336,950, resulting to an under expenditure of Kshs.7,650,614 or 29 % of the total approved budget. The under absorption and underfunding may have negatively impacted on service delivery.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matter(s) described in the Basis for Adverse Opinion/Material Uncertainty Related to Going Concern section, I have determined that there are no other key audit matters to communicate in my report.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters above, provide the basis for my audit opinion on the accompanying financial statements.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matter(s) discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Lack of Ethnic Diversity in Staff Composition

Review of the staff bio data provided revealed that the College had forty – eight (48) employees as at 30 June, 2023. Out of the number, thirty-nine (39) or 81% were from the same community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008.in the circumstance management was in breach of the law

In the circumstance, Management was in breach of the law

2. Lack of Internal Audit Unit and Review

Review of the College's operations indicated that no internal audit reviews were performed on the internal processes and no risk assessment was carried out to identify

and address key areas of concern and document specific controls in response to identified risks, contrary to Regulation 160(1)(a) and (b) of the Public Financial Management (National Government) Regulations, 2015 which require that Internal auditors shall review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in national government entities. The function has a duty to give reasonable assurance through the audit committee on the state of risk management, control and governance within the organization.

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

3. Failure to File Annual Self-Evaluation Report

Review of statutory documents of the institute revealed that the institute did not file its annual self-evaluation report as required by the law contrary to Section 41(1), (2) and (3) of the Technical, Vocation Education and Training Act 2013 which states that on Filing of annual report every institution accredited under this Act shall file its annual self-evaluation report in the prescribed manner with the Board and the annual self-evaluation report shall give details of development made in the institution's physical infrastructure and training and any institution that fails to comply with the provisions of this section commits an offence under this Act.

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

4. Failure to Adhere to the Prescribed Financial Reporting Format

Review of the financial statement submitted for audit revealed the following anomalies;

- (i) The format for Board of governors and Key management is not properly aligned;

- (ii) Prior year audit issues not captured under appendix 1 status of auditor recommendations.

This was contrary to Section 81(3) of the Public Finance Management Act, 2012 which require that the accounting officer shall prepare the financial statements in a form that complies with the relevant accounting standards prescribed by the Public Sector Account Standards Board.

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

5. Non-Implementation of Audit Recommendation

During the year under review no response or action plan was availed for the implementation of the recommendations made in the audit reports. Further, no implementation status report for recommendations made in the audit reports for 2021/2022 were availed for audit verification. It is therefore not clear if there was any action plan or whether the audit reports were acted upon. This was contrary to Section

172(1) of the Public Finance Management (National Government) Regulations, 2015 which require that the accounting officer of the concerned entity shall be responsible for the implementation of the recommendations made in the audit reports and shall develop response and action plan which he or she shall submit to the Chairperson of the audit committee within fourteen days.

In the absence of the status reports on implementation of audit recommendations, the College lacks measures on improvement of governance structures and internal controls within its Management structures.

6. Failure to Maintain Imprest Register

Review of the payment vouchers revealed that Management was issuing imprest with warrants. However, no imprest register was maintained as a control to monitor whether the imprests were surrendered or not contrary to Regulation 93(4) of the Public Finance Management Regulation (2015) which requires that before issuing imprests applicants to have no outstanding imprest, imprest recorded in an imprest register and confirmation of availability of funds.

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

7. Exclusion of Disadvantaged Groups in Annual Procurement Plan

A review of the annual procurement plan that was in use by the College during the year under review revealed that Management failed to allocate at least thirty percent (30%) of its annual procurement budget for the purposes of procuring goods, works and services from enterprises owned by youth, women and persons with disability. This was contrary to Regulation 149 of Public Procurement of Assets and Disposal, 2020, states an accounting officer of a procuring entity shall, when processing procurement under section 157(5) of the Act, allocate at least thirty percent (30%) of its annual procurement budget for the purposes of procuring goods, works and services from enterprises owned by youth, women and persons with disability.

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

8. Poor Cash Book Management

Review of the College cash book revealed the following anomalies;

- (i) There were numerous overwriting on several pages and cancelations that were not counter signed by the officer making the correction contrary to Section 16 (2) and (3) of the Public Finance Management (National Government) Regulations, 2015 which require that an entry in a financial record or document shall not be obliterated, erased or altered by being written over and payment in connection with any document bearing an alteration, obliteration or erasure shall be refused by the relevant public officer or

any other person unless countersigned, but this shall not apply to a cheque or official receipt.

- (ii) Balance brought forward are not documented on each page on the receipt side of the cash book. This negligence compromises the reliability of financial information, hindering effective decision-making and regulatory compliance.
- (iii) There appears to be a lack of adequate controls and oversight over cash book management. For example, segregation of duties is not consistently enforced, with the same individual responsible for recording transactions, authorizing payments, and reconciling accounts.
- (iv) Cashbooks were not confirmed by senior officers on a monthly basis.

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

9. Failure to Maintain a Development Account Cash Book

During the year under review, the College did not maintain a cash book for National Bank of Kenya -Development account contrary to Section 100 of the Public Finance Management (National Government) Regulations, 2015 which requires that Accounting Officers shall keep in all offices concerned with receiving cash or making payments a cash book showing the receipts and payments.

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

10. Lack of Board of Governors

Review of board records indicated that board members were appointed on a three-year term which lapsed on 17 February, 2024 the last quarter of the financial year ending 30 June, 2024. However, the College did not have a board of governors in place as at June 2024 casting doubt whether the financial statements were approved by the board. This is contrary to Paragraph 7 of the second schedule of TVET Act 2013 which outlines composition and terms of office board of governors; Unless the appointment of the chairperson or a member of a Board of Governors is earlier terminated under this Act, a person appointed as chairperson or as a member shall hold office for a term of three years from the date of appointment and shall be eligible for re-appointment for one further term of a period not exceeding three years.

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

11. Understaffing of Employees

Review of the College staff establishment revealed that the training Centre had an approved staff establishment of one hundred nineteen (119) officers in various positions. However, it was noted that only forty-two (42) were in-post resulting in a shortage of Seventy-seven (77) staff in various positions. The understaffing hampered the training Centre in effectively discharging its mandate.

This was contrary to Regulation 13(2) of Technical and Vocational Education and Training Regulations, 2015 on staffing which states that the management of every institution shall ensure that the institution maintains adequate trainers for each programme of study, trainers are qualified in their area of specialization, and registered and licensed in accordance with the Act and all trainers have the relevant technical and vocational competencies at least to the level being delivered or assessed.

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

12. Irregular Board of Governors Meetings

The statement of financial performance reflects an amount of Kshs.968,797 in respect of Board Expenses. However, a review of minutes and the board register revealed that the Board held a total of eight (8) full board meetings instead of the required 4 meetings during the year under review contrary to Section 11(1) of TVET Act no.29 of 2013, which gives guidelines on the frequency of meetings of the Board where a Board of Governors shall meet at least once every four (4) months.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources and the Basis for Conclusion on effectiveness of internal controls, risk management and governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Weaknesses in IT Controls- Failure to Provide ERP Contract Agreement and Service Level Agreement

Review of payment records show that Kshs.243,600 was paid to a firm for supply, installation and commissioning of an ERP system which included the design,

development, Implementation and support of Integrated (ERP) system. However, Management did not provide the service level agreement and contract agreement between the College and the vendor to establish the scope of works and terms of reference

In the absence of the contract agreement and service level agreement, it was not possible to confirm and verify the terms of reference in the contract agreement, scope of work, deliverables, or whether value for money was achieved in the procurement of the ERP system

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

The TVET act 2013 requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the College's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Siruti Technical and Vocational College ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

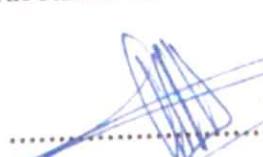
15 May, 2025

14. Statement of Financial Performance for the year ended 30th June 2024

	Notes	2023/2024	2022/2023
		Kes	Kes
Revenue from Non-Exchange transactions			
Transfers from other National Government Entities	6	7,720,714	3,871,000
Transfers from the National Government – Capitation Grants	6	1,500,000	1,000,000
		9,220,714	4,871,000
Revenue from Exchange transactions			
Rendering of Services- Fees from Trainees	7	8,498,173	7,373,694
Sale of Goods	8	57,630	18,860
Other Income	9	89,600	21,000
		8,645,403	7,413,554
		17,866,117	12,284,554
Total Revenue			
Expenses			
Use of Goods and Services	10	11,723,669	7,412,641
Employee Costs	11	3,349,265	2,958,656
Board Expenses	12	968,797	805,673
Depreciation Expense	13	2,134,570	2,136,429
Repairs and Maintenance	14	510,035	103,375
		18,686,336	13,416,774
		(820,219)	(1,132,220)
Deficit for the year			

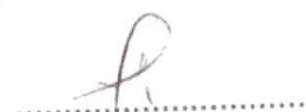
The notes set out on pages 7 to 29 form an integral part of the Annual Financial Statements

The Financial Statements set out on pages 1 to 6 were signed by:


 Charles Odindo
 Chairperson of Board

27/09/2024

SIRUTI TECHNICAL & VOCATIONAL
 COLLEGE AWENDO
 27 SEP 2024
 CPA Wilfred Owalla
 Principal
 ICPA KENYA 020933 ARE-AWENDO
 P. O. Box 555-40933 ARE-AWENDO
 27/09/2024


 Jane Ogutu
 Finance Officer

27/09/2024

SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

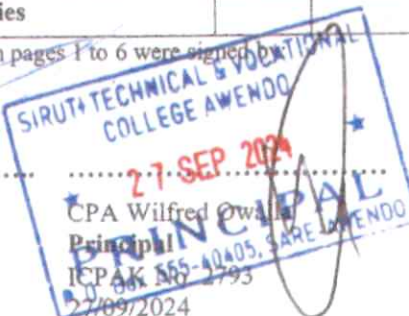
15. Statement of Financial Position as at 30th June 2024

Description	Notes	2023/2024	2022/2023
		Kes	Kes
Assets			
Current Assets			
Cash and Cash Equivalents	15	145,790	694,906
Receivables from Exchange Transactions	16	4,423,545	2,350,276
Receivables from Exchange Transactions(advance)	17	0	
Inventories	18	60,988	106,576.00
Total Current Assets		4,630,323	3,151,758
Non-Current Assets			
Property, Plant, and Equipment	19	56,769,753	56,841,113
Total Non-Current Assets		56,769,753	56,841,113
Total Assets		61,400,076	59,992,871
Liabilities			
Current Liabilities			
Trade and other Payables from Exchange Transactions	20	404,000	84,258
Deferred Income	21	2,984,455	2,506,452
Total Current Liabilities		3,388,455	2,590,710
Non-current Liabilities			
Borrowings	22	0	120,000
Total Liabilities		3,388,455	2,710,710
Net Assets		58,011,621	57,282,161
Revaluation Reserves		56,000,000	56,000,000
Accumulated Surplus		1,577,511	2,414,381
Capital Fund		434,110	(1,132,220)
Total Net Assets and Liabilities		58,011,621	57,282,161

The Financial Statements set out on pages 1 to 6 were signed by

.....
 Charles Odindo
 Chairperson of Board

27/09/2024



.....
 CPA Wilfred Owa
 Principal

.....
 Jane Ogutu
 Finance Officer

27/09/2024

16. Statement of Changes in Net Asset for the year ended 30th June 2024

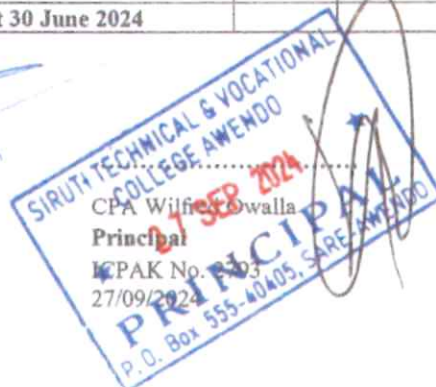
Description	Revaluation Reserve		Retained Earnings		Capital Fund		Total	
		Kes		Kes		Kes		Kes
At July 1 st , 2020		56,000,000		-		-		56,000,000
			608,720		434,110		1,042,830	
At June 30 th , 2021		56,000,000	608,720		434,110		57,042,830	
At July 1 st , 2021			1,789,010				1,789,010	
Total comprehensive income		56,000,000	2,397,730		434,110		58,831,840	
At June 30 th , 2023		56,000,000	2,397,730		434,110		58,831,840	
At July 1 st , 2023			820,219				820,219	
Total comprehensive income		56,000,000	1,577,511		434,110		58,011,621	
At June 30 th , 2024								

17. Statement of Cash Flows for the year ended 30th June 2024

Description	Notes	2023/2024	2022/2023
		Kes	Kes
Cash flows from Operating Activities			
Receipts			
Transfers from other government entities/govt. Grants	6	9,220,714	4,871,000
Rendering of services- fees from students	7	8,498,173	7,373,694
Sale of Goods	8	57,630	18,860
Other Income	9	89,600	21,000
Total Receipts		17,866,117	12,284,554
Payments			
Use of goods and services	10	11,723,669	7,412,641
Compensation of employees	11	3,349,265	2,911,256
Board /Council Expenses	12	968,797	768,815
Repairs & Maintenance	13	510,035	103,375
Total Payments		16,551,766	11,196,087
Cash flow from Operating Activities		1,314,351	1,088,467
Adjustments for:			
Payable at the end of the year	20	404,000	-106,576
Net cash flows from Operating Activities		1,718,351	981,891
Cash flows from Investing Activities			
Purchase of property, plant, equipment and intangible assets	19	2,063,210	2,340,052
Net cash flows used in Investing Activities		(2,063,210)	(2,340,052)
Cash flows from Financing Activities			
Payment of payables	20	-84,258	0
Repayment of borrowings	22	(120,000)	(95,941)
Net cash flows used in Financing Activities		(204,258)	(95,941)
Net Increase/(Decrease) in Cash and Cash equivalents		(549,117)	(1,454,102)
Cash and Cash equivalents at 1 July 2023		694,906	2,149,008
Cash and Cash equivalents at 30 June 2024		145,790	694,906


Charles Odindo
Chairperson of Board

27/09/2024




Jane Ogutu
Finance Officer

27/09/2024

18. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2024

Description	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Utilization Difference	
	Kes		Kes		Kes		Kes		Kes		Kes	%
Revenue												
Capitation	9,000,000		-		9,000,000		5,120,500		3,879,500			-56%
Grants	500,000		-		500,000		1,500,000		(1,000,000)			300%
Scholarship	0				0		2,600,214		2,600,214			100%
Rendering of services – fee from students	16,236,950				16,236,950		8,498,173		7,739,777			52%
Sale of goods	0		-		0		57,630		-57,630			
Other Income	600,000		-		600,000		89,600		510,400			14%
Total income	26,336,950		-		26,336,950		17,866,117		11,072,047			14.7%
Expenses												
Compensation of employees	4,357,918		-		4,357,918		3,349,265		1,008,653			76%
Use of goods and services	17,631,557		-		17,631,557		11,723,669		5,907,888			66%
Board Expenses	2,290,000		-		2,290,000		968,797		1,321,203			42%
Repairs and Maintenance	713,301		-		713,301		510,035		203,266			71%
Development	1,344,174				1,344,174		2,134,570		-790,396			15.8%
Recurrent Expenditure	26,336,950		-		26,336,950		18,686,336					70%
Capital Expenditure												
Total Expenditure							(820,219)					

HEALTH CARE OCCASIONAL COLLEGE (WELLS)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

Fees collections from the self-sponsored students is also a challenge since most of our students come from a poor background and mostly rely on HELB Loans and other bursaries.

QUARTERS	EXPECTED CAPTATION			CAPTATION RECEIVED			VARIANCE
	NO. OF TRAINEES	RATE	TOTAL	No. OF TRAINEES	RATE	TOTAL	
1	386	7,500	2,895,000	353	3,500	1,235,500	1,659,500
2	416	7,500	3,120,000	370	3,500	1,295,000	1,825,000
3	416	7,500	3,120,000	370	4,000	1,480,000	1,640,000
4	416	7,500	3,120,000	370	3,000	1,110,000	2,010,000
		30,000	12,219,500		14,000	5,120,500	7,134,500

Grants

Grants were received for three quarters instead of the budgeted one quarter

Rendering of services

Cultural factors are affecting trainee's ability or willingness to pay, such as prioritizing family needs over educational expenses. For some of the trainees the expected sponsor failed to pay the fees.

IGA

The institution heavily relies on government funding failure to remittance the institution will automatically fails to generate incomes due to lack of finances

Board expenses

The term of Board members expired in February 2024.

Development Expenditure

The institution has not been supplied with equipment and therefore is go overboard to buy these from its own sources especially for exam purposes

Compensation of employees

Amount allocated to be collected for employees' vote was not realized due to nonpayment of fees. This had a direct effect on the outflow from this vote.

Use of Goods and Services

The underspending of this vote has also been affected by the depressed collection for this particular vote.

RMI

As with other expense votes, amount collected for this vote was depressed hence the same for spending.

19. Notes to the Financial Statements

1. General Information

Siruti Technical and Vocational College Awendo is established by and derives its authority and accountability from TVET Act 2013. Siruti Technical and Vocational College Awendo is wholly owned by the Government of Kenya and is domiciled in Kenya. Siruti Technical and Vocational College Awendo principal activity is training in technical and vocational education.

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 at fair 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 judgment in the process of applying the Siruti TVC Awendo's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in other notes. The financial statements have been prepared and presented in Kenya Shillings (Kes), which is the functional and reporting currency of the Siruti TVC Awendo's. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the TVET Act, ministerial guidelines and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There are no new standards in the year ended 30th June 2024

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44:	<i>Applicable 1st January 2025</i> The Standard requires,

SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

Non- Current Assets Held for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>Siruti TVC Awendo management is of the opinion that this standard will be relevant in future when the institution upscales its operations</p>
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Siruti TVC Awendo management is of the opinion that this standard will be relevant to the institution on receipt of training equipment from the Government of Kenya.</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>Siruti TVC Awendo management is of studying the implications of this standard in light of the impact of the new funding model.</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Siruti TVC Awendo is still looking at the implication of this standard on its operations.</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector</p>

	employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. Siruti TVC Awendo's currently has no plan to set up a retirement benefit plan for its employees as it is still a very young institution.
--	--

iii. Early adoption of standards

Siruti TVC Awendo did not early adopt any new or amended standards in year 2023/2024.

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 Siruti TVC Awendo and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

Siruti TVC Awendo's revenue from non-exchange transactions are recognised as follows:

Government grants – These are recognised as income in the period when received. Accrued government grants are recognised only when there is reasonable assurance that Siruti TVC Awendo will comply with any condition attached to the grant and that the grant will be received.

Other grants and donations – Grants and donations e.g. from CDF are recognised as income in the period when they are received. Siruti TVC Awendo does not accrue unreceived grants and donations unless there is reasonable assurance of receipt of funds.

ii) Revenue from exchange transactions

Rendering of services

Siruti TVC Awendo 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.

Revenues from exchange transactions for the College are accounted for as follows:

Tuition Fees – Revenue from trainees fees are recognised pro rata over the relevant period. Siruti TVC Awendo applies the accrued concept in relation to tuition and fees receivable in a particular year. Revenues from tuition fees are accounted for over the period in which they relate. Fees paid in advance are carried forward under trade and other payables.

Other miscellaneous Incomes – Revenues from other sources are recognised when the amount received can be measured reliably.

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 Siruti TVC Awendo. In FY 2023/2024, there was no sale of goods.

Interest income

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

Rental income

Siruti TVC Awendo currently does not earn any rental income.

b) Budget information

The original budget for FY 2023/2024 was approved by the Board on 7th August 2023. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page xx of these financial statements.

c) Taxes

Current income tax

In FY 2023/2024 there Kes. 90598 as P.A.Y.E paid for the board members.

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

Siruti TVC Awendo currently does not have any investment properties.

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, Siruti TVCA 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.

Depreciation Policy

Depreciation is charged annually on a reducing balance basis on the balance at year end. The depreciation rates for the Non-Current assets of the STVCA are outlined below:

Category	Estimated Useful Life	Depreciation rate
Buildings and other Civil works	40 years	2.5%
Plant, Machinery & Equipment	5 years	20%
Office Equipment	5 years	12.5%
Motor Vehicles	4 years	25%
Computer and related Equipment	3 years	33.3%
Furniture and Fittings	8 years	12.5%

f) Intangible assets

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

Siruti TVCA currently does not have any intangible assets.

g) Inventories

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

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

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

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

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

h) Provisions

Provisions are recognized when Siruti TVCA has a present obligation (legal or constructive) because 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 Siruti TVCA expects some or all 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

Siruti TVCA 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

Siruti TVCA 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 Siruti TVCA 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.

i) Nature and purpose of Reserves

Siruti Technical and Vocational College Awendo creates and maintains reserves in terms of specific requirements. Currently there are no specific reserves.

j) Changes in Accounting Policies and Estimates

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

k) 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.

l) 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.

m) Related Parties

Siruti Technical and Vocational College Awendo 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 Siruti TVCA, or vice versa. Members of key management are regarded as related parties and comprise the Board, the CEO/Principal and senior managers.

n) Service Concession Agreements

Siruti Technical and Vocational College Awendo analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. Where a private party contributes an asset to the arrangement, Siruti TVCA 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, Siruti TVCA also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

o) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held 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 imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

p) Comparative Figures

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

q) Subsequent Events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of Siruti Technical and Vocational College Awendo 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. Siruti Technical and Vocational College Awendo 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 Siruti Technical and Vocational College Awendo.

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 Siruti TVCA
- 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

6. Transfers from other National Government entities

Description	2023/2024	2022/2023
	Kes	Kes
Unconditional grants		
Operational grant	1,500,000	1,000,000
Capitation grants	5,120,500	3,871,000
Scholarship	2,600,214	
Total government grants and subsidies	9,220,714	4,871,000

(a) Transfers from other Government entities

Name of entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Total comparative grant for previous FY 2022/2023
	Kes	Kes	Kes
Ministry of Education		9,220,714	4,871,000
Total		9,220,714	4,871,000

7. Rendering of Services

Description	2023/2024	2022/2023
	Kes	Kes
Tuition Fees	1,442,170	2,064,634
Activity Fees	1,043,069	0
Industrial Attachment Fees	240,150	560,401
Examination Fees	1,023,498	746,000
Local Transport	1,665,311	781,612
Advertising	194,053	216,010
Cleaning	0	0
Student Union	100,000	361,311
Internet Expenses	420,170	
Medical Expenses	8,030	475,861
Other	0	140,100
Development Fees	0	
EW&C	400,000	457,169
RMI	392,770	280,200
Personal Emoluments	1,569,051	1,290,396
Total Revenue from the Rendering of Services	8,498,173	7,373,694

8. Sale of Goods

Description	2023/2024	2022/2023
	Kes	Kes
Sale of vegetables, maize, fish, bricks	57,630	18,860
Total of Sale of Goods	57,630	18,860

9. Other Income

Description	2023/2024	2022/2023
	Kes	Kes
Production of clothes	89,600	0
Sales of tender	0	21,000
Total	89,600	21,000

10. Use of Goods and Services

Description	2023/2024	2022/2023
	Kes	Kes
Teaching and Learning Materials	4,469,492	2,706,898
Industrial Attachment Costs	176,900	136,018
Electricity and Water	385,314	66,824
IGA Expenses	237,670	0
Subscriptions	836,808	398,500
Advertising	330,103	211,500
Examination Fees	1,322,200	1,018,090
Travelling and Accommodation	1,627,186	1,185,520
Postage	7,725	1,350
Printing and Stationery		0
Contingencies (PC activities)	481,200	0
Activity	1,351,185	1,113,600
Cleaning	7,600	5,500
Trainee Union	127,720	230,945
Internet Expenses	294,619	76,006
Library Expenses		8,500
Medical Expenses		5,120
Other (KUCCPS and rent expenses)	61,500	
Advertising		238,220
Advance		3,000
Bank Charges	6,448	7,050

SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

Total Goods and Services	11,723,669	7,412,641
--------------------------	------------	-----------

11. Employee Costs

Description	2023/2024	2022/2023
Salaries and wages	3,349,265	2,958,656
Employee costs	3,349,265	2,958,656

These include, staff HELB deductions, NSSF, NHIF, NITA and Housing Levy

12. Board Expenses

Description	2023/2024	2022/2023
Chairman's Honoraria	261,237	227,000
Board members' Emoluments	526,115	378,500
Other Allowances	181,445	200,173
Total Board Members' Emoluments	968,797	805,673

This includes Housing Levy and PAYE

13. Depreciation Expense

Description	2023/2024	2022/2023
Property, Plant and Equipment	2,134,570	2,136,429
Total Depreciation	2,134,570	2,136,429

14. Repairs and Maintenance

Description	2023/2024	2022/2023
Repairs	510,035	103,375
Total Repairs and Maintenance	510,035	103,375

15. Cash and Cash Equivalents

Description	2023/2024	2022/2023
Current Account	145,790	694,906

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

Financial Institution	Account number	2023/2024		2022/2023	
		Kes		Kes	
Current Account					
National Bank	01022234864700	143,706.75		691,151	
National Bank	01022234864701	1,995		1,995	
Sub- total		145,702		693,146	
Cash in hand		88		1760	
MPESA		0			
Sub- total		0		1760	
Grand total		145,790		694,906	

16. Receivables from Exchange transactions

Description	2023/2024		2022/2023	
	Kes		Kes	
Current Receivables				
Trainee Debtors	4,423,545		2,350,276	
Total Current Receivables	4,423,545		2,350,276	

16 (a) Ageing Analysis of Receivables from Exchange transactions

Description	2023/2024		2022/2023	
	Kes		Kes	
Less than 1 year	0	0	0	%
Between 1- 2 years		%	2,350,276	%
Between 2-3 years	4,423,545	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	4,423,545	%	2,350,276	%

17. Receivables from Non-Exchange transactions

Description	2023/2024		2022/2023	
	Kes		Kes	
Current Receivables				
Capitation Grants*				
Less: Impairment Allowance				
Total Current Receivables				

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

Description	2023/2024		2022/2023	
	Kes	%	Kes	%
Less than 1 year	xxx	%	xxx	%
Between 1 - 2 years	xxx	%	xxx	%
Between 2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total	xxx	%	xxx	%

18. Inventories

Description	2023/2024		2022/2023	
	Kes	%	Kes	%
Consumable stores	60,988		106,576	
Total Inventories at lower of Cost and Net Realizable Value	60,988		106,657	

SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

19. Property, Plant and Equipment

8	Land	Buildings	Intangible Asset	Furniture and fittings	Computers	Office equipment	Plant and Equipment	Library Books	Capital Work in progress	Total	
										Kes	Kes
Cost											
At 1 st July 2020		2.5%		12.5%	33.3%	12.5%	20%	12.5%	0		
Additions/Transfers/Adjustments	4,500,000	50,300,000		412,360	-	86,216	-	-	1,200,000		56,498,576
At 30 th June 2021	4,500,000	50,300,000		412,360	-	86,216	-	-	1,200,000		56,498,576
At 1 st July 2021	4,500,000	50,300,000		412,360	0	86,216	0	-	1,200,000		56,498,576
Additions				576,236	1,321,198	48,259	835,001	126,043	533,370		3,440,107
At 30 th June 2022	4,500,000	50,300,000		988,596	1,321,198	134,475	835,001	126,043	1,733,370		59,938,683
Depreciation & Impairment											
Accumulated Depreciation at 1 July 2021	0	1,257,500		51,545	0	10,777	0		0		1,319,822
Charge for the Year		1,226,063		117,131	439,959	15,462	167,000	15,755			1,981,371
As at 30 June 2022		2,483,563		168,676	439,959	26,239	167,000	15,755			3,301,193
Net Book Value											
As at 30 June 2022	4,500,000	47,816,438		819,920	881,239	108,236	668,001	110,288	1,733,370		56,637,490
As at 30 June 2021	4,500,000	49,042,500		360,815	-	75,439	-	-	1,200,000		55,178,754
Additions			243,600	180,192	108,600	480,795	1,326,865				2,340,052
Depreciation	0	1,195,411	243,600	1,000,112	989,839	589,031	1,994,866	110,288	1,733,370		58,977,542
As at 30 th Sept 2024	4,500,000	46,621,026	243,600	875,098	660,223	515,402	1,595,893	96,502	1,733,370		2,136,429
Additions				386,120	700,000	214,500	672,340	90,250			2,063,210
As at 30 th June 2024	4,500,000	46,621,026	243,600	1,261,218	1,360,223	729,902	2,268,233	186,752	1,733,370		58,904,324
Depreciation	0	1,165,526		157,652	243,164	91,238	453,646	23,344			2,134,570
As at 30 th June 2024	4,500,000	45,455,500	243,600	1,103,566	1,117,059	638,664	1,814,587	163,408	1,733,370		56,769,753

Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Leo Realtors professional valuers on April 2022. These amounts were adopted in the financial statements on June 2022.

19 (a) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
Land	xxx	xxx	xxx
Buildings	xxx	xxx	xxx
Plant And Machinery	xxx	xxx	xxx
Motor Vehicles including Motorcycles	xxx	xxx	xxx
Computers and Related Equipment	xxx	xxx	xxx
Office Equipment, Furniture, And Fittings	xxx	xxx	xxx
Total	xxx	xxx	xxx

20. Trade and Other Payables

Description	2023/2024	2022/2023
Trade payables	404,000	84,258
Other payables		
Total trade and other payables	404,000	84,258
Ageing analysis:	Kes	Kes
Under one year	404,000	84,258
1-2 years	0	0
2-3 years	0	0
Over 3 years	0	0
Total	404,000	84,258

21. Deferred Income

Description	2023/2024	2022/2023
	Kes	Kes
Fees paid in advance	2,984,455	2,506,452
Total Deferred Income	2,984,455	2,506,452

The deferred income movement is as follows:

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

Include columns as needed for the various sources of income deferred.

Analysed as:

Description	Amount
	Kes
Current	xxx
Non- Current	xxx
Total	xxx

22. Borrowings

Description	2023/2024	2022/2023
	Kes	Kes
Domestic borrowings during the year	120,000	300,000
Repayments of domestic borrowings during the year	(120,000)	(180,000)
Balance at end of the period	0	120,000

22 a) Analysis of External and Domestic Borrowings

Description	2023/2024	2022/2023
	Kes	Kes
Domestic Borrowings		-
Kenya Shilling loan from Mawego TTI	0	120,000
Total balance at end of the year	0	120,000

22 b) Breakdown of Long and Short-Term Borrowings

Description	2023/2024	2022/2023
	Kes	Kes
Short term borrowings (current portion)		-
Long term borrowings	0	120,000
Total	0	120,000

23. Cash generated from operations.

Description	2023/2024	2022/2023
	Kes	Kes
Surplus for the year	(820,219)	(1,132,220)
Adjusted for:		
Depreciation	2,134,570	2,136,429
Non-cash grants received		
Working Capital adjustments		
inventory	122,332	
Increase in receivables	(2,073,269)	(2,350,276)
Increase in deferred income	478,023	2,506,432
Increase in payables	199,742	204,258
Net cash flow from operating activities	1,314,351	1,076,107

24. Financial Risk Management

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

Siruti Technical and Vocational College Awendo financial risk management objectives and policies are detailed below:

(i) Credit risk

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

Management assesses the credit quality of each student, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the Board. The amounts presented in the statement

of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

	Total amount Kes	Fully performing Kes	Past due Kes	Impaired Kes
At 30 June 2020				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	145,790	145,790	-	-
Total	145,790	145,790	-	-

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

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

(ii) Liquidity risk management

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

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

--	--	--	--	--

SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kes	Kes	Kes	Kes
At 30 June 2020				
Trade payables	-			
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Trade payables	-		-	
Current portion of borrowings	-	404,000	-	
Provisions	-	-	-	
Deferred income	-	2,984,455	-	
Employee benefit obligation	-	-	-	
Total	-	3,388,455	-	

25 EVENTS AFTER THE REPORTING PERIOD

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

26 ULTIMATE AND HOLDING ENTITY

Siruti Technical and Vocational College Awendo is an institution under the Ministry of Education. Its ultimate parent is the Government of Kenya.

27 CURRENCY

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

**SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024**

28 Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
<p>Transfers from The National Government</p>	<p>The statement of financial performance and as disclosed in Note 6 to the financial statements reflects transfers from the Ministry of Education totalling Kes.1,136,786. However, the financial statements of Mawego Technical Training Institute (mentor institution) reflect Kes.2,437,500 in respect of conditional grants from the Ministry of Education for the College, resulting to an unexplained and unreconciled variance of Kes.1,300,714.</p> <p>In the circumstances, the accuracy and completeness of the transfers from the Ministry of Education amount of Kes.1,136,786 could not be confirmed.</p>	<p>With respect to the discrepancy of Kes 1,136,786 noted with Mawego TTI, two letters have been written to the Principal Mawego TTI. Three physical follow ups have also been made. However, to date Mawego TTI has not made a written explanation on the discrepancy</p>	<p>Ongoing</p>	
<p>Budget Control and Performance</p>	<p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kes.4,523,520 and Kes.3,884,042 respectively resulting to an underfunding of Kes.639,478 or 14% of budget. Similarly, the College had a total expenditure of Kes.1,955,500 against an unapproved budget of Kes.3,942,123 resulting to an under-expenditure of Kes.1,986,623 or 50% of the budget.</p>	<p>The College didn't receive q4 of the capitation</p>	<p>Resolved</p>	

SIRITI TECHNICAL AND VOCATIONAL COLLEGE AWENDO
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
<p>Unauthorised Payment of Sitting Allowance to Board of Governors</p>	<p>The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public</p> <p>The statement of financial performance reflects remuneration of Board of Governors amount of Kes.318,129. The amount includes sitting allowances of Kes.241,000 paid at the rates of Kes.15,000 and Kes.12,000 after tax to the chairman and other board members, respectively. However, the rates were not approved by the Cabinet Secretary in charge of Education as required under Section 17 of the Second Schedule of the Technical and Vocational Educational and Training Act of, 2013.</p> <p>The expenditure also includes allowances paid to the Board Nomination Panel amounting to Kes.44,500 for which, no supporting circular or authority was provided for audit. Further, Management did not remit the taxes arising from the payment of sitting allowances as required under Section 3(1) of the Income Tax Act.</p>	<p>-The college has already had a TVET number and in a position to get KRA Pin. In the FY 2021/2022 all the board allowances were remitted to KRA</p> <p>-Sitting allowances to Board members communicated to the PS office on 7/6/2022 via pssvt2018@gmail.com subsequently on 15/7/2022 the same information for approval was send to Director TVET via dte.government@gmail.com no reply has been received from 3 offices but the institution followed the Ministry guidelines for the Board Allowances</p>	<p>Resolved</p>	

**SIRUTI TECHNICAL AND VOCATIONAL COLLEGE, AWENDO
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2024**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	<p>In addition, the Board of Governors operated without an annual work plan for the year under review.</p> <p>In the circumstances, Management was in breach of the law</p>			
Unbalanced Budget	<p>The Management prepared a budget which reflects the final budgeted receipts of Kes.4,523,520 against budgeted expenditure of Kes.3,942,123 resulting to a variance of Kes.581,397. This is contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which provides that the budget shall be balanced.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>The difference was partly caused by the fact that money was kept a side for utilization in July during the KNEC July 2022 Practical exams series. This was our first exam, and the amount utilised to buy equipment</p>	Resolved	
Lack of an Internal Audit Function and Audit Committee	<p>The College had not established an internal audit function and an Audit Committee of the Board. This is contrary to Section 73 of the Public Finance Management Act, 2012 which requires every national Government entity to have appropriate arrangements in place for conducting internal audit and establish an audit committee.</p>	<p>The college has already established the Audit committee of the Board and outsources internal audit function from Kisii National Polytechnic</p>	Resolved	

**SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	In the circumstances, the College did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.			