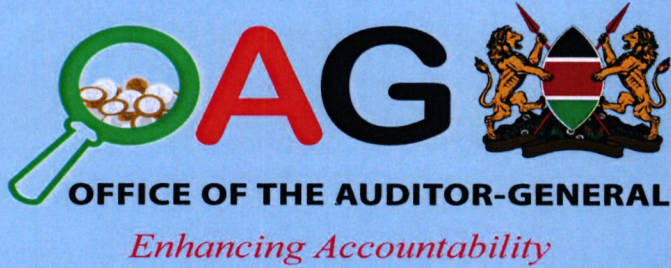


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY	
REPORT	
DATE: 25 JUL 2023	DAY: TUESDAY
TABLED BY: OF	Hon Naomi Wago, MP. Deputy Majority Whip
CLOCK AT THE TABLE:	Anne Shubeko

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**GATANGA TECHNICAL AND VOCATIONAL
COLLEGE**

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



GATANGA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2022



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

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Gatanga Technical and Vocational College
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I. Key Entity Information and Management

(a) Background information

Gatanga Technical and Vocational College is located in Muranga county, Gatanga sub-county, Gatanga division, Kigoro location, Ndunyu Chege sub-location. It was constructed through funding by GOK and Gatanga NG-CDF under mentorship of Murang'a University. The institution was completed in 2017 and handed over to Michuki Technical Training Institute to oversee its management until August 2017 when the principal was posted. The college first trainees were admitted in January 2018 in the following courses in Electrical engineering, ICT Mechanical and Plumbing. The college is a centre of excellence in mechanical engineering having received Mechanical production equipment's, computers and furniture's which were supplied to the institution in January 2018 through the Government of Kenya. Currently the college has a total population of 298 trainees in six departments as at June 2021. The college is located 30Km from Thika town along Gatanga-Ndakaini road.

(b) Principal Activities

GTVC is a national public tertiary institution under the Ministry of Education; it operates under the Education Act 213 and TVET Act 2013 Laws of Kenya. The College's operations are also carried out in accordance with the Government policies and procedures as spelt out in official documents and circulars. The institution operates under the management of the Board of Governors appointed by the Minister in charge of Education. The Principal is the institution's CEO and the secretary to the BOG. On the day-to-day operations of the college, the Principal is assisted by the Deputy Principal, the Registrar, the Dean of Students and Heads of Departments. The students participate in College's governance through a student's association led by an elected student council

The college is Centre of excellence in Mechanical Engineering. The college received modern tools and equipment in the area of ICT and MECHANICAL ENGINEERING worthy 104,000,000 (One Hundred and four Million). This government act was to bring to the youths of Murang'a county the modern technology so that they can have hands on skills for self-reliance which is also our motto.

Trainees trained in Gatanga Technical and Vocational College are competently prepared emotionally, intellectually and spiritually. They are equipped with *Hands on Skills* and Technology to make a difference in this generation and generations to come. Gatanga Technical and Vocational College is committed to offering the best and top quality training. We provide the state of the art modern facilities for training.

We do so to make our trainees more competitive and competent in their professions. Gatanga Technical and Vocational College is growing from strength to strength, we are determined to offer training in a diverse, qualitative and an interactive platform that creates and nurtures talents among trainees. We offer courses from Diploma, Craft, Artisan and skill upgrade levels for those people who are practicing and have no formal certificate. There is no age limit for you to be admitted at Gatanga TVC because we offer both regular, part-time and school based trainings.

VISION

To be a centre of excellence in provision of technical & vocational education and training.

MISSION

To provide technical & vocational education and training courses that produce skilled and competent manpower that can compete favourably in the labour market

Core values

- Quality training
- Ethical practice
- Fairness & equity
- Teamwork
- Transparency & accountability
- Respect of rule of law
- Efficiency & efficacy

(c) Key Management

Gatanga TVC day-to-day management is under the following key organs:

- | | |
|--------------------------|----------------------|
| - BOG Chairman- | Mr. Peter Wanyoike |
| - Principal - | Mr. Jeremiah Mugo |
| - Deputy Principal - | Madam. Rachel Kiroko |
| - Ag Dean of Students - | Madam. Rhoda Waititu |
| - Ag. Registrar/HOD ICT- | Madam Susan Njuguna |

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Jeremiah Mugo
2.	Deputy principal Finance	Rachel W.Kiroko
3	Registrar (s)	Susan N. Njuguna
4	Dean of students	Rhoda Waititu
5	Head of Finance	Isaac M. Nthiga
6	Head of Building and Civil Engineering	Judith Kyalo
7	Head of Mechanical engineering	Fredrick Kaburu
8	Head of Business	Noureech Nelima Malele
9	Head of Electrical Engineering	Sammy Mbugua Mikinya
10	Secretary	Jane Mwangi

(e) Fiduciary Oversight Arrangements

Audit committee activities

- Establish Internal Audit Functions
- Formulate whistleblowing Policy in the College
- Formulate and Review of OHS Policy
- Insurance of all assets general accident cover for students and BOG employees
- Formulation and Implementation of Anti- Corruption Policy
- Putting in place Security Surveillance Mechanisms
- Enhance Security of the Institution

Key Entity Information and Management (Continued)

- Formulation and Review of Security Policy
- Establish and Maintain Archives
- Formulate and Implement ICT Policy
- Carry out an audit on values of governance
- Ensure all financial transactions are properly authorized
- Ensure proper fees collection mechanisms
- Ensure proper systems controls in all service points

Development partner oversight activities

The functions of the Authority shall be to—

- (a) Regulate and co-ordinate training.
- (b) Accredite and inspect programmes and courses;
- (c) Advice and make recommendations to the Cabinet Secretary on all matters related to training;
- (d) Determine the national technical and vocational training objectives;
- (e) Promote access and relevance of training programmes within the framework of the overall national socio-economic development plans and policies;
- (f) Prescribe the minimum criteria for admission to training institutions and programmes in order to promote access, equity and gender parity;
- (g) recognize and equate qualifications awarded by local or foreign technical and vocational education institutions in accordance with the Standards and guidelines set out by the Authority from time to time;
- (h) develop plans, and guidelines for the effective implementation of the provisions of this Act;
- (i) Establish a training system which meets the needs of both the formal and informal sectors as provided under this Act;
- (j) Collect, examine and publish information relating to training;
- (k) Inspect, license, register and accredit training institutions;
- (l) Advise on the development of schemes of service for trainers;
- (m) Assure quality and relevance in programmes of training;
- (n) Liaise with the national and county governments and with the public and the private sector on matters relating to training;
- (o) Undertake, or cause to be undertaken, regular monitoring, evaluation and inspection of training and institutions to ensure compliance with set standards and guidelines;
- (p) Mobilize resources for development of training;

- (q) Ensure the maintenance of standards, quality and relevance in all aspects of training, including training by or through open, distance and electronic learning;
- (r) Approve the process of introduction of new training programmes and review existing programmes in Technical and Vocational Education and Training Board institutions;

- *Other oversight activities*

. Role of the Cabinet Secretary

(1) The Cabinet Secretary in consultation with the other Ministries and the private sector involved in training shall develop policies and provide strategies for the development of a national training system.

(2) The Cabinet Secretary shall have the overall responsibility in the provision of training and shall, in collaboration with other Ministries and stakeholders, be responsible for promoting access, equity, quality and relevance in training.

e Cabinet Secretary shall provide policy guidance on all matters relating to the implementation.

Key Entity Information and Management (Continued)

(f) Gatanga Technical and Vocational College Headquarters

P.O. Box 6232-01000
Thika, KENYA
Gatanga-Ndakaini road off Ndunyu Chege Market

(g) Gatanga Technical and Vocational College Contacts

Telephone: (254) 713 477 791
E-mail: gvcgatanga@gmail.com/info@gatangatvc.ac.ke
Website: www.gatangatvc.ac.ke

(h) Gatanga Technical and Vocational College Bankers

1. Kenya Commercial Bank Ltd
Thika Town Branch
P.O. Box 271-01000 Thika, Kenya

(i) Independent Auditors




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

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




(j) **Principal Legal Adviser**


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

II. The Board of Governors

No.	Member/ Director	Details
1.	 <p>Mr. Peter Kuria Wanyoike Chair of the Board of Governor's Master's in Geospatial Information and Remote sensing.</p>	<p>Mr. Peter was born in May 1957, he holds a Masters in Geospatial information and remote sensing, Bachelors of Science education and a Higher diploma in surveying. He has worked as a deputy principal at Kenya Institute of Surveying and mapping he has also worked as a senior super intending land surveyor, he has also worked as a Provincial surveyor in central and western province and also as a District Surveyor in Muranga and Meru District and is currently a director of Arcplan services, a land surveying, mapping, GIS and remote sensing consulting firm licensed by land surveyor and is the chair of the Board of governor in Gatanga Technical & vocational College.</p>
2.	 <p>Mr. Jeremiah Munene Mugo Chief Principal/Secretary of the board MBA, BBM and CPA(K)</p>	<p>Mr. Jeremiah was born in June 1965. He holds MBA, BBM, a Diploma in Technical Education and is a CPA K holder. He has worked as a HOD Business studies Rift valley T.T.I, HOD Business Nkabune T.T.I, Registrar Nkabune T.T.I, Deputy principal Nkabune T.T.I and is currently the principal in Gatanga T.V.C and also the secretary of the Board of Governor.</p>
3.	 <p>Ms. Esther Mwendwa Kyale Master's in (MSC) Project Management</p>	<p>MS. Esther was in 1987. She holds Masters in (MSC) project management, Bachelor of commerce finance option and is a CPA II holder. She has been an intern at KENGEN under the finance and commercial division department and is currently working at KENGEN as an Accountant III.</p>




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




<p>4.</p>	 <p>Ms. Nancy Nyambura Wanyinyi Master's in Business Management</p>	<p>Ms. Nancy was born in July 1968, she holds Bachelor in Business Management, Higher National Diploma in Building and Civil Engineering, Post graduate Diploma in Land management and informal settlement regularization and a Diploma in Water Technology. She has worked as Senior Water inspector in the ministry of water and irrigation, Assitant planning and Design Engineer in the ministry of water and irrigation Mombasa district, Technical supervisor in MOWASCO, Business Unit manager in MOWASCO, Ag.Low Income Consumers Manager in MOWASCO, Program expert in Water Services Providers Association and is currently working as a Project Manager in Water and Sanitation for Urban Poor and is also A Board member in Gatanga TVC</p>
<p>5.</p>	 <p>Mr. Kelvin Njuguna Njeri Bachelor of Science in Computer Science</p>	<p>Mr. Kelvin was born in April 1986. He holds a Bachelor of science in computer science. He has worked as a senior systems engineering in business enterprise technical support, also as a senior Unix and Systems administrator in Central Bank of Kenya and is currently working as a Unix and Systems administrator at Kenya Commercial Bank</p>
<p>6.</p>	 <p>Ms. Jane Wanjiru Gichohi Master's in Business Management and IT</p>	<p>Ms. Jane was born in August 1971. She holds a Master's in Business Management, and a Bachelor of Business and Information Technology. She has worked as Consultant/Trainer in Eureka Training and consultant Information Technology, a Computer Programmer in Kenya Tea Development Agency, a Company Assistant Manager in Chai Trading Company Limited, an ICT support at Kiambu, Muranga, Kirinyaga and Embu counties, an ICT manager at Ketepa and is currently the ICT Manager KTDA region 1 and also a Board member in Gatanga TVC.</p>

<p>7.</p>	 <p>Dr. David Wanyama PHD in Finance and Bachelor of Commerce in Management</p>	<p>Dr. David Wanyama holds a PHD in finance, an MBA in finance, a Bachelor of Commerce in Management a Diploma in Co-operative Management, a Diploma in Credit Management, and an International Diploma in Insurance and is also a Cetfied Public Accountant. He has worked as a CFO and a CEO in Takaful Insurance of Africa ltd and is currently a partner and CEO at Davella LLP and also a CEO and lead consultant at Master Consultants Ltd and a Board Member in Gatanga TVC.</p>
<p>8.</p>	<p>Dr. Mwangi Gachana PHD in Cognitive Liguistic and Bachelor in Education</p>	<p>Dr. Mwangi Gachara was born in July 1975. He holds a PHD in cognitive Linguistics, Maters of Arts in English and Linguistics and a Bachelors of Education. He has worked as a Teacher in Saint Paul Seminary, TSC , a Lecturer in Saint Mary’s University of Minnesota, a Tutorial Fellow in Kenyatta University and is currently a Lecturer in Kenyatta University and a Director at Centre for Teacher Professional Development and Excellence and also a Board Member in Gatanga TVC.</p>




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


III. Management Team

No.	Member/ Director	Details
1.	 Mr. Jeremiah M. Mugo Master's in Business administration, BBM and CPA(K)	Principal and Secretary to Board of Governors Gatanga Technical & Vocational College .He is in charge of daily management of Gatanga TVC and also the accounting officer.
2.	 Madam Rachel Kiroko Master's in IT and Bachelor of Education and counselling.	She is the Deputy Principal and in charge of academic
3.	 Madam Susan Njuguna Bachelor of Education in Computer studies and Mathemetics.	She is the Registrar.

4.	 Madam Rhoda Waititu Bachelor of Science in Computer.	She is the Dean of students.
5.	 Mr. Fredrick Kaburu Higher Diploma in Technical Education Mechanical Engineering production option.	He is the HOD Mechanical department.
6.	 Ms Judith Kyalo Bachelor of Science in Quantity Surveying.	She is the HOD Building Department.

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

7.	 <p>Mr. Sammy Mbugua Mikinya Bachelor of Science in Electronic and Computer Engineering.</p>	<p>He is the HOD Electrical Department.</p>
8.	 <p>Ms. Noureech Nelima Malele Bachelor of Commerce Accounting option.</p>	<p>She is the HOD Business Department.</p>
9.	 <p>Mr. Isaac M. Nthiga Bachelor of Commerce Finance option. CPA (K)</p>	<p>He is the Finance officer.</p>

10.	 <p>Ms. Jane Mwangi Certificate in Secretarial Studies.</p>	She is the secretary.
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Gatanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

IV. Chairman's Statement

I am pleased to present the annual report and financial statement of Gatanga Technical & vocational college institute for the year ended 30th June 2022

The demand for TVET programmes in the country has continued to rise prompting the institution to continually introduce academic programme that respond to the demand of the market. The objective of the board is to position the GTVC main programmes within the context of the market requirements, cost rationalisation, equity and customer satisfaction.

During the financial period, key achievements realized were;

- Increased student's enrolment
- Substantial physical infrastructure
- Establish and Strengthened collaboration and liaison with key local industries where the college can attach its trainees.
- Established collaboration with the sister institutions.
- Established public private partnership to address the shortage of accommodation spaces for the increased population growth.
- Participated in various KATTI activities at both the regional and national levels.
- Recruited into performance contracting at the beginning of the 2nd quarter.

During this financial year, financial commitment was geared towards developing, approving implementation of the first college strategic plan which sets out the process of putting up various structures suited to give support to academic programmes being the core function of the institution.

I am also glad that the college was among the first young institutions that took the challenge of being introduced into Performance Contracting. This has helped in achieving targets set out in the Performance Contract as drawn from the strategic plan during the year under review.

I am proud to note that most of the goals set out within the first year of the strategic plan have indeed been achieved. These include:

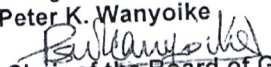
- Growth in student's numbers,
- Competitive recruitment of staff both trainers and other support staff.
- Development of the infrastructures to support academic programmes.
- Development of various physical infrastructures like roof water harvesting system and water storage tank

The college received operation grants, HELB loans /bursary and GoK capitation for the college trainees'. These funding has enabled the college acquire equipment that will make it go –a-long way in ensuring that trainees are equipped with relevant skills therefore increasing their marketability.

The college has witnessed significant growth of the institute assets that has promoted a good training environment for both trainers and trainees. In this regard, I wish to thank the members of the board who have provided useful insight to the college management making it possible to collectively make progress. The board remains committed to building on the foundation laid down so far and will work closely with the GTVC top management team in order to realise further development. The board is pleased with efforts of the GTVC key management personnel to ensure prudent management of resources.

I thank the government for its financial support so far that has made it possible to implement the GTVC functions and programmes and also enabled the college to increase its enrolment within the year under review.

I finally, wish to thank all stake holders for their continued support and dedication, even as we together strive to achieve greater heights of excellence.

Peter K. Wanyoike

Chair of the Board of Governor's

V. Report of the Principal

Presented herein is the annual report and financial statement of Gatanga Technical & vocational college for the year ended 30th June 2022 as per requirements of the Public Finance Management Act of 2012 and public audit Act, 2003.

The college started the year with the cash and cash equivalents of **kshs1,513,566** during the financial year 2021/2022., The college generated **kshs. 9,838,562.** from rendering of services as students' fees and other of Ksh 5,650 from and sales of maize stalks. Also received kshs. **5,917,500** as Capitation with a promise of the fourth quarter of kshs.2,122,500 totalling to **kshs.17,884,212** which is the total revenue for both exchange and non-exchange transactions.

The institution aims at diversification of revenue streams through and by initiating the following measures;

- a. Lobby for more financial support from government to finance in the development of the proposed projects.
- b. Aggressive marketing of the college programme to increase trainee's enrolment
- c. Establishing income generating activities and strengthening the existing ones
- d. Collaborate with industries agencies for innovations funding
- e. Soliciting for grants, donations and sponsorship

The population by 30th June 2022 was 298 students from 248 at the beginning of the financial year which represent 20.2% growth. This has been made possible through Government support i.e capitation, HELB loans and marketing of the courses offered in the College..

The institution carried out an analysis of the internal and external environment using (SWOT) and (PESTEL) analysis. This provides an implementation road map to monitor and evaluate mobilisation of the resources generated to realise the institute core mandate. The college mandate is derived from the TVET ACT of 2013 which outlines the objectives towards promoting TVET education and training in Kenya.

During this financial year the institute was recruited into performance contracting which was a major milestone at these early years of the institution development and growth. This is helping in setting up the performance targets.

During the financial year under review, the institution embarked on establishing a number of academic programmes, diploma and certificate courses in Electrical and Electronics engineering, Building Construction and Hair dressing & Beauty Therapy. This is after college embarked on an intensive marketing programme aimed at enhancing its visibility and increasing students' enrolment.

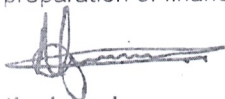
On behalf of the management and staffs of GTVC, I take this opportunity to thank the Board of the Governors for the support accorded to the Institution management be able to undertake the day to day activities and for its visionary direction in development of the college.

I appreciate the financial support from the GoK throughout the year under review though we appeal for more support especially for the purpose of establishing suitable facilities required towards becoming the TVET of choice for trainees in Kenya and beyond. I also wish to thank NG-CDF Gatanga Constituency for constructing 3 classrooms during the financial year under review at a cost of Ksh 4 Millions

I thank all the trainers, support staff and trainees of GTVC for their continued cooperation in this challenging but noble task of building the college and I look forward to the same cooperation and enthusiastic participation in 2022 – 2023 financial year.

The college achieved a milestone by connecting all the mechanical equipments to electrical power through savings and assistance from AVIC International technical team and therefore enhancing our capacity to give practical training at higher modules in mechanical Engineering production option. In addition to powering electrical machines, the college acquired an Indexing head which was a major component missing in Lathe machines operations. The college also acquired an ERP software during the financial year to help in preparation of financial statements and management of records in the institution

Jeremiah M. Mugo



Principal/Secretary of the board

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

VI. Statement of Performance against Predetermined Objectives

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

Gatanga Technical has 8 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2021-2022. These strategic pillars are as follows:

- Pillar/ theme/issue 1:
- Pillar/ theme/ issue 2:

Gatanga develops its annual work plans based on the above X pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. *Gatanga* achieved its performance targets set for the FY 2021/22 period for its 8 strategic pillars, as indicated in the diagram below:

Pillar	Strategic issues	Strategic Objective	Key Performance Indicators	Activities	Achievements
1	Access and equity	to enhance access and equity to quality TVET training	No. of students enrolled No. of programmes launched	Design flexible and blended learning programmes	Increased enrolment of 216 trainees
2	Institutional, Corporate Governance /Management	Improve Institutional corporate governance/Management	Organisational structure, HIV/Aids, Drug and substance Abuse, Safety measures, Gender mainstreaming, Disability Mainstreaming Affirmation policies	Establish institutional policies, strategies and programmes that are responsive to effective governance and management of TVET	Number of policies in place- all the policies were developed
3	ICT	Promote effective application of ICT	e-books acquired and utilized E-learning materials	Acquisition of e-books Training of trainers	Number of e-books acquired and in use Preparation of E-learning materials.
4	Research and Innovation	Create forums for sensitization of staff and students -Develop a reward system for innovations	Institutionalize research and development	Participate in TVET Fairs	number of fairs participated on, regional, national
5	Financial resources	Enhance fees collection	To improve the financial position of the college	Control systems established and implemented	Enhanced fees collection and more cash

Human Resource	Liaise with the PSC for meeting gaps in teaching and support staff	-Manpower requirements determined	-Teaching staffing gaps addressed	Number of staff hired/posted by the PSC.
Collaboration and linkages	Review and strengthen existing frameworks for collaborations and linkages in TVET	Mechanisms for benchmarking and joint cooperation in TVET developed and implemented	Number of mechanisms	Number of mechanisms
Infrastructure improvement	To provide adequate infrastructure for quality service delivery	Increased capacity for quality service delivery	- Develop infrastructure plans and designs - Source for funding	Improved service delivery

VII. Corporate Governance Statement

During the year under review, the board held four full board meetings and four Executive Board meetings. All the meetings had a quorum and no member missed two consecutive meetings. The term of the board ended on March 2021 and new board was appointed and is in place. As outlined from the TVET Act 2013, section 28(1) the roles, functions, and performance of the board during the year is as follows;

(a) Overseeing the conduct of education and training in the institution in accordance with the provisions of this Act and any other written law;

The Board has been able to monitor the manner in which the college is managed or directed through the regular quarterly meetings -100%.

(b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;

Through the management, the board have acquired right syllabuses and mounted market driven courses and made sure real training takes place through supervision- 100%

(c) Administering and managing the property of the institutions;

The board have been able to provide security and regular maintenance of all the equipment and vehicles- 100%

(d) Developing and implementing the institutions' strategic plan;

The board developed launched a strategic plan which is currently being implemented- 100%

(e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;

The board have prepared annual budget but execution has not been fully done due to non-remittance of development funds already budgeted.

(f) 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;

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

This has been achieved – 100%, the college has a functional finance department to collect and receipt all the monies received.

- (g) 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 this Act;**

The board performed this function – 100%, though the government came up with a standard fees structure for all the TVET Institutions.

- (h) Mobilizing resources for the institutions;**

- The college have been able to collect fees from parents.
- Sourced for more funding from NG-CDF and
- Written proposals to organizations and government departments requesting for funding.

- (h) Developing and reviewing programs for training and to make representations thereon to the TVET Authority;**

(i) The board have approved new courses as guided by the ministry of education.

- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;**

this was achieved 100%- all the students who applied were admitted.

- (k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;**

- The college is a member of KATTI and CAPA
- The college receive students from KUCCPS
- Principals visit industries annually to get the views of the stakeholders.

- (k) Recruiting and appointing trainers from among qualified professionals and practicing trades persons in relevant sectors of industry;**

All the recruitments so far carried out by following recruitment procedures.

- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;**

- Our wages are within the set standards of the country
- The college has developed a scheme of service and a Human Resource Policy.

- (n) Making regulations governing organization, conduct and discipline of the staff and students;** this has been achieved -100%. We have developed and implemented rules and regulations

- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board;**

- (p) Providing for the welfare of the students and staff of the institutions;**

The board have improved the college learning environment by;

- Acquiring more equipment for training

- Acquiring more student's desks
- Repairing washrooms
- Water harvesting to improve sanitation

(q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; The board have;

- Established G&C department
- Students have their elected leadership
- The management hold regular meeting with the students and staff

(r) Discharging all other functions conferred upon it by this Act or any other written law

The board has promptly acted upon all the communications received from within and outside the college.

The board was well remunerated as they received their full allowances during all the meetings

VIII. Management Discussion and Analysis

The college has performed well during last financial year. We were able to maintain discipline of both staff and students and made sure that training went on well. This can be attested by the good final examination results received during the year where the college posted 80% pass overall. The college also performed well financially. We were able to accomplish all financial decisions made. All the statutory deductions were remitted on time, this included; NHIF, NSSF and PAYE. The college ended the year with no outstanding bills. The main risks facing the college are financial due to low student population growth, reduced government grant and no development funds. The funding received from capitation is all going to recurrent expenditure leaving almost nothing to developments. Since the college is only three years old, it requires a lot of financial support to put up more infrastructures to be able to admit more students. We have no office space, ablution block, and lecture rooms hence the college existence is at great risk.

IX. Environmental And Sustainability Reporting Statement

Gatanga TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on Social pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

Sustainability strategy and profile

Innovation and technology- the college has put a lot of Effort in sustainability related R&D in order to reduce environmental impacts in new products and in business activities of training. The college uses BAT (best available techniques) and integrated environmental technologies, we concentrate on cleaner production and zero-emission technologies.

Collaboration – the college maintained a Good cooperation and active collaboration with various business partners which included suppliers, R&D institutions, universities and TVET institutions working in common programs and networks on innovative products and technologies. Exchange of information and knowledge through TVET fair.

Knowledge management – the college have planned, developed, organized, maintained, transferred, applied and measured specific knowledge and to improve the organizational knowledge base.

Processes- Clear processes and roles are defined so that college activities are efficiently conducted and that every employee knows what the college management expects from him or her.

Purchase- the college had a good Relationship with suppliers focusing also on sustainability.

Sustainability reporting – the college maintained Considerable reporting of sustainability issues within the board meeting reports.

Environmental performance

This dimension deals with environmental impacts due to corporate activities. These environmental impacts are caused by resource use and emissions into air, water, ground and hazardous waste.

This dimension is mainly measured by impacts, but within corporate sustainability strategies the focus has to be laid on the effects causing these impacts, e.g., the higher the maturity levels are the more it has to be concentrated on causes rather than on effects.

Emissions into the air- Emissions into the air due to corporate activities the college does not emit any pollution to air as we are training and not manufacturing.

Emissions into the water - Emissions into the water due to corporate activities -none

Emissions into the ground - Emissions into the ground due to corporate activities- none

Waste and hazardous waste- Waste and hazardous waste due to corporate activities- none

Biodiversity Impact on biodiversity due to corporate activities

Environmental issues of the product Environmental aspects of the product over the whole life cycle

Employee welfare

Corporate governance- Transparency in all its activities in order to ameliorate relationship towards its stakeholders. During the financial year, the college recruited staff using the laid down recruitment procedures. This was done through the guidance of public service commission who

Give insight into all relevant data; following rules of on recruitment of the corporate governance and defining responsibilities and behavior of the board.

Staff Motivation and incentives – this is an Active involvement and exemplary function of management on sustainability of all the Employees Being Aware of their needs, claims and motivation factors of employees in order to implement sustainability sufficiency into the organization due to support of management for acting in sustainable way (e.g. time, money, resources). The management Developed and implemented incentives and reward systems (monetary and non-monetary).

Health and safety – the college guarantee that no health and safety risks occur when working in/for the college. No negative impact of employees' physical health at any time was reported. The college has envisioned operation of programmes for employees to prevent dangers and to stay generally fit and healthy.

Human capital development - Development of human capital for sustainability related issues through specific programmes is key to any organization. The college has sponsored staff to various seminars and workshops and also allowed others join holiday classes. The college has also encouraged Broad cross-working education (job enrichment, job enlargement) for staff in order to become aware of the different challenges and issues of corporate sustainability.

Market place practices-

- a) Responsible competition practice.
The college practices responsible competition by following normal procedure of marketing. The college has developed an anti-corruption policy and non-political adherence
- b) Responsible Supply chain and supplier relations-
The college has list of suppliers who were prequalified through advertisement. The policy of the college is to pay all the bills at the end of every month and this has created a good rapport with her suppliers and service providers
- c) Responsible marketing and advertisement
The college carries out normal marketing through media and organized talks.
- d) Product stewardship.
Trainees trained in Gatanga Technical and Vocational College are competently prepared emotionally, intellectually and spiritually. They are equipped with Hands on Skills and Technology to make a difference in this generation and generations to come. The Gatanga Technical and Vocational College is committed to offering the best and top quality training.

Corporate Social Responsibility / Community Engagements

The college did not have much on corporate social responsibilities because it is only three years old and still struggling financially and relying 100% on government funding. But in the year under review, we had organised a career talk for all the school leaver within Gatanga sub-county

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

X. Report of the Board of Governors

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 of Governors to prepare financial statements in respect of Gatanga Technical and Vocational College, which give a true and fair view of the state of affairs of Gatanga TVC at the end of the financial year/period and the operating results of Gatanga TVC for that year/period. The Board of Governors are also required to ensure that the Gatanga Technical and Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board of Governors are also responsible for safeguarding the assets of the Gatanga Technical and Vocational College

The Board of Governors are responsible for the preparation and presentation of Gatanga Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of Gatanga Technical and Vocational College for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes:

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

The Board of Governors accept responsibility for the College 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 of Governors are of the opinion that the College financial statements give a true and fair view of the state of Gatanga TVC transactions during the financial year ended June 30, 2021 and of the College financial position as at that date. The Board of Governors further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the institute financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of Governors to indicate that Gatanga Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

Principal activities

The principal activities of the entity are to nurture technical skills and to be a centre of excellence in producing skilled manpower that can compete favourably in local and international labour market.

Results

The results of the entity for the year ended June 30 are set out on page 1 to 5.

Council/Board of Governors

The members of the Board who served during the year 2021/2022 are shown on page vi and vii.

Auditors

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

By Order of the Board


.....

Secretary of the Board

Date:

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

XI. Statement of Board of Governors Responsibilities

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

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

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

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

Approval of the financial statements

Gatanga TVC financial statements were approved by the Board on 29/09/2022 and signed on its behalf by:

P. K. WANYOIKE

Name

Chairperson of the Board/Council

JEREMIAH M. MUGO

Name

Accounting Officer/Principal

REPUBLIC OF KENYA



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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON GATANGA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Gatanga Technical and Vocational College set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting

policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Gatanga Technical and Vocational College as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education Training Act, 2013.

Basis for Qualified Opinion

Lack of Ownership Documents for College Land

The statement of financial position and as disclosed in Note 20 to the financial statements reflects property, plant and equipment balance of Kshs.133,854,835. Included in the balance is land valued at Kshs.20,000,000. However, the Management did not provide ownership documents for the land.

In the circumstances, the accuracy, completeness and ownership status of property, plant and equipment balance of 133,854,835 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.23,210,000 and Kshs.17,884,212 respectively resulting to an under-funding of Kshs.5,325,788 or 23% of the budget.

Similarly, the College expended Kshs.24,627,352 against an approved budget of Kshs.23,210,000 resulting to an under-expenditure of Kshs.1,417,352 or 6% of the budget.

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

2. Unresolved Prior Year Matters

The audit report for the year ended 30 June, 2021 highlighted several unsatisfactory matters. The Management has not provided any disclosure on progress made in resolving these issues and no information was provided to indicate if the issues were resolved or not as at 30 June, 2022. This is contrary to Section 149(2)(l) of the Public Finance Management Act, 2012, which requires that in carrying out a responsibility imposed by subsection (1), an accounting officer shall, in respect of the entity concerned try to resolve any issues resulting from an audit that remain outstanding.

In the circumstances, the audit issues remained unresolved.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Hiring of Unlicensed Trainers

Review of records indicated that the College had hired eight (8) trainers. However, the status of three (3) out of the eight (8) trainers' registration with the Technical and Vocational Training Authority as trainers could not be ascertained. This was contrary to Regulation 16(1) of the Technical and Vocational Education and Training Regulations, 2015 which requires that any person who intends to become, a trainer in a TVET institution should apply to the Authority for a trainers' license where the trainer has the training qualifications.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and the overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

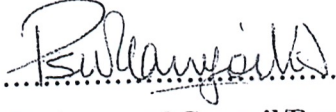
24 May, 2023

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


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

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	8,040,000	8,760,000
		8,040,000	8,760,000
Revenue from Exchange transactions			
Rendering of services- fees from students	7	9,838,562	3,875,760
Sale of goods	8	4,650	0
Other income	9	1,000	144,580
Revenue from Exchange transactions		9,844,212	12,780,340
Total Revenue		17,884,212	12,780,340
Expenses			
Use of goods and services	10	7,937,797	5,566,932
Employee costs	11	3,638,881	2,604,715
Board Expenses	12	1,197,256	1,051,775
Depreciation and amortization expense	13	11,647,631	13,252,175
Repairs and maintenance	14	195,870	374,362
Finance costs	15	9,917	7,742
Total Expenses		24,627,352	22,857,701
Net surplus for the year		(6,743,140)	(10,077,361)

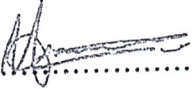
The Financial Statements set out on pages 1 to 5 were signed by:


.....
Chairman of Council/Board

Date 29/09/2022


.....
Finance Officer
ICPAK No 27230

Date 29/09/2022

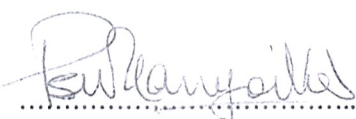

.....
Principal

Date 29/9/2022

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


Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	1,520,775	1,513,566
Current portion of receivables from exchange transactions	17	4,422,606	3,490,466
Receivables from non-exchange transactions	18	3,146,641	1,024,141
Inventories	19	65,517	0
		9,155,519	6,028,173
Non-Current Assets			
Property, plant, and equipment	20	133,854,835	144,584,586
Total Assets		143,010,354	150,612,759
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	21	751,212	482,892
Refundable deposits from customers(Caution)	22	432,230	195,230
CDF	23	30,000	15,000
KNEC	24	186,754	(263,310)
KUCCPS	25	59,500	0
Total Liabilities		1,459,696	429,812
Net Assets		141,550,658	150,182,947
Accumulated Surplus		7,695,823	5,598,361
Capital Fund		133,854,835	144,584,586
Total Net Assets and Liabilities		141,550,658	150,182,947

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



Chairman of Council/Board

Date 29/09/2022



Finance Officer

ICPAK No 27230

Date 29/09/2022



Principal

Date 29/9/2022

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

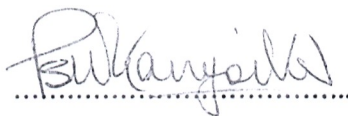
IV. Statement of Changes in Net Assets for the year ended 30 June 2022

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	0	0	5,030,093	151,250,000	156,280,093
Total comprehensive income	-	-	(10,077,361)	-	(10,077,361)
Capital/development grants received during the year	-	-	2,606,546	6,586,761	6,586,761
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	13,252,175	(13,252,175)	0
At June 30, 2021	0	0	5,598,361	144,584,586	150,182,947
At July 1, 2021	0	0	5,598,361	144,584,586	150,182,947
Total comprehensive income	-	-	(6,743,140)	-	(6,743,140)
Capital/development grants received during the year	-	-	(2,807,029)	917,880	(1,889,149)
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	11,647,631	(11,647,631)	0
At June 30, 2022	0	0	7,695,823	133,854,835	141,550,658

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

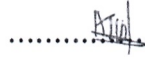
Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government- Capitation/Grants		5,917,500	8,760,000
Rendering of services- fees from students		7,981,640	3,875,760
Sale of goods		4,650	0
Other income		1,000	144,580
Total Receipts		13,904,790	12,780,340
Payments			
Use of goods and services		7,937,797	5,566,932
Employee costs		3,638,881	2,604,715
Board Expenses		1,197,256	1,051,775
Repairs and maintenance		195,870	374,362
Finance costs		9,917	7,742
Total Payments		12,979,721	9,605,526
Net Cash Flows from operating activities		925,069	3,174,814
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(917,880)	(4,137,459)
Net cash flows used in investing activities		(917,880)	(4,137,459)
Net Increase/(Decrease) in Cash and Cash equivalents		7,189	(962,645)
Cash and Cash equivalents at 1 JULY 2021		1,513,566	2,476,211
Cash and Cash equivalents at 30 JUNE 2022		1,520,755	1,513,566

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



Chairman of Council/Board

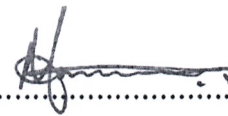
Date 29/09/2022



Finance Officer

ICPAK No 27230

Date 29/09/2022



Principal

Date

29/09/2022

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

Description	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Utilization Difference		Notes
	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	%	
Revenue													
Transfers from other govt entities-Capitation	12,000,000		-		12,000,000		8,040,000		(3,960,000)			33%	Note 1
Rendering of services- fees from students	11,210,000		-		11,210,000		9,838,562		(1,371,438)			12%	Note 2
Sale of goods	0		-		0		4,650						
Other income	0		-		0		1,000						
Total Income	23,210,000		-		23,210,000		17,884,212		(5,325,788)				
Expenses													
Use of goods and services	16,586,600		-		16,586,600		7,937,797		8,648,803			52%	Note 3
Employee costs	4,678,000		-		4,678,000		3,638,881		1,039,119			22%	Note 4
Board Expenses	1,357,400		-		1,357,400		1,197,256		160,144			12%	Note 5
Depreciation and amortization expense	0		-		0		11,647,631						
Repairs and maintenance	588,000		-		588,000		195,870		392,130			67%	Note 6
Finance costs	0		-		0		9,917						
Total Expenditure	23,210,000		-		23,210,000		24,627,352		(1,417,352)				
Surplus For the Period							0		(6,743,140)				

Note 1. The College did not achieve the targeted enrolment of 500 trainees which we had targeted to receive the capitation of Ksh 30,000 each. Not all trainees who were admitted did receive the government capitation.

Note 2. The enrolment was below the targeted number of 500 trainees therefore the college could not achieve the budget it had envisioned under rendering of services.

Note 3. The College did not procure much of the learning materials as the population was below the budgeted and the resources were minimal.

Note 4. The College did not employ the procurement and internal auditor as budgeted due to the constrained budget.

Note 5. Much was not spent as the new board was inaugurated after the first quarter of F/Y 2021/2022.

Note 6. There were minimal expenditure on general expenses like computer and registration of trainees.

VII. Notes to the Financial Statements

1. General Information

Gatanga Technical and Vocational College is established by and derives its authority and accountability from TVET Act. Gatanga TVC is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is offering technical skill to trainees.

2. Statement of Compliance and Basis of Preparation

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

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42:	Applicable: 1st January 2023

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Standard	Effective date and impact:
Social Benefits	<p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer</p>

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

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

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

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Board.

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

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

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

c) Taxes

Current income tax

Gatanga TVC is exempt from paying taxes.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

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

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

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

e) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

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

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

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

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

g) Intangible assets

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

h) Research and development costs

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

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

j) Inventories

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

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

k) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *(Entity to state the reserves maintained and appropriate policies adopted).*

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

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

o) Foreign currency transactions

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

p) Borrowing costs

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

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

r) Service concession arrangements

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

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	8,040,000	7,260,000
Operational Grant	0	1,500,000
Total Government Grants and Subsidies	8,040,000	8,760,000

(a) Transfers from other Government entities (Capitation and Operational Grants)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2020-2021
			Kshs	Kshs	Kshs
State Department of Vocational and Technical Training	8,040,000	2,122,500	0	5,917,500	8,760,000
Total	8,040,000	2,122,500	0	5,917,500	8,760,000

7. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Fees	170,330	199,220
Activity Fees	905,110	469,925
Industrial Attachment Fees	820,500	438,750
Examination Fees	2,171,192	0
Registration Fees	133,280	0
Electricity, Water and Conservancy	857,825	448,760
Local Travel and Transport	821,910	419,215
Repair and Maintenance	433,145	227,310
Student Welfare	157,200	28,000
T-Shirt	115,500	31,000
College Card	118,500	31,500
Personal Emolument	3,028,870	1,582,080
Computer Packages	105,200	0
Total Revenue from The Rendering Of Services	9,838,562	3,875,760

Rendering of services is made of invoices raised after students have reported

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8. Sale of Goods

Description	2021-2022	2020-2021
	Kshs	Kshs
Sale of Farm Produce	4,650	0
Total Revenue from Sale of Goods	4,650	0

They include sales of avocado, maize and maize stalks, banana, sukuma wiki and sales of tree seedlings

9. Other Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Computer Packages	0	101,400
Avocado Sales	0	1,800
Income from sale of tender	1,000	0
Maize Stalks sales	0	6,930
Plumbing works services	0	2,200
Banana sales	0	550
Registration	0	31,700
Total other income	1,000	144,580

10. Use Of Goods And Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Teaching and learning materials	2,496,589	1,954,530
Industrial attachment and Insurance costs	103,800	165,522
Electricity	296,830	203,606
Water	33,647	0
Examination fees	1,721,858	0
Travelling and accommodation	1,770,845	1,342,925
Activity	1,287,993	297,350
Student Welfare	74,825	12,600
T-Shirts	84,630	28,120
Covid-19	26,200	752,454
Student Cards	40,580	0
Administration costs	0	809,825
Total good and services	7,937,797	5,566,932

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Notes to the Financial Statements (Continued)

11. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries	2,658,924	2,255,825
Employee related costs - NHIFs	106,900	84,100
PAYE	7,131	1,300
HELB	19,378	0
Casuals	502,780	0
Social contributions(NSSF)	343,768	263,490
Employee Costs	3,638,881	2,604,715

12. Board Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Board Allowances	1,197,256	1,051,775
Total	1,197,256	1,051,775

13. Depreciation and Amortization expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	11,647,631	13,252,175
Total depreciation and amortization	11,647,631	13,252,175

14. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment	195,870	374,362
Total Repairs and Maintenance	195,870	374,362

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Notes to the Financial Statements (Continued)

15. Finance Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Charges	9,917	7,742
Total Finance Costs	9,917	7,742

16. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account	1,238,034	1,339,001
Cash Balance	282,721	174,565
Total Cash and Cash Equivalents	1,520,755	1,513,566

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

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		1,238,034	1,339,001
Cash in Hand		282,721	174,565
Sub- Total		1,520,755	174,565
Grand Total		1,520,755	1,513,566

17. Receivables from Exchange transactions

17(a) Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student Debtors	4,422,606	3,490,466
Total Current Receivables	4,422,606	3,490,466

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Notes to the Financial Statements (Continued)

18. Receivables from Non-Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
BAL B/F	1,024,141	1,024,141
Grant expected	0	1,500,000
Capitation expected	8,040,000	7,260,000
Grant Received	0	(1,500,000)
Capitation received	5,917,500	(7,260,000)
Total Current Receivables	3,146,641	1,024,141

19. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores	61,887	0
Cleaning Materials stores	910	0
Catering stores	2,720	0
Total Inventories at lower of Cost and Net Realizable Value	65,517.00	0

**Gatanga Technical and Vocational College
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Notes to the Financial Statements (Continued)

20. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Software	Plant and equipment	Library books	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2020	20,000,000	39,200,000	1,750,000	2,800,000	-	87,500,000	-	151,250,000
Additions	-	4,485,919	-	6,800	1,300,000	692,037	102,005	6,586,761
At 30 th June 2021	20,000,000	43,685,919	1,750,000	2,806,800	1,300,000	88,192,037	102,005	157,836,761
Depreciation And Impairment	0.00	0.020	0.125	0.300	0.20	0.125	0.33	
Depreciation	0	873,718	218,750	842,040	260,000	11,024,005	33,662	13,252,175
At 30 th June 2021	20,000,000	42,812,201	1,531,250	1,964,760	1,040,000	77,168,032	68,343	144,584,586
At 1 July 2021	20,000,000	42,812,201	1,531,250	1,964,760	1,040,000	77,168,032	68,343	144,584,586
Additions	-	-	665,425	79,960	-	146,800	25,695	917,880
At 30 th June 2022	20,000,000	42,812,201	2,196,675	2,044,720	1,040,000	77,314,832	94,038	145,502,466
Depreciation And Impairment	0	0.02	0.125	0.30	0.20	0.125	0.33	
Depreciation	0	(856,244)	(274,584)	(613,416)	(208,000)	9,664,354	(31,033)	(11,647,631)
Net Book Values	20,000,000	41,955,957	1,922,091	1,431,304	832,000	67,650,478	63,005	133,854,835
At 30 th June 2022	20,000,000	41,955,957	1,922,091	1,431,304	832,000	67,650,478	63,005	133,854,835

21. Trade and Other Payables from Exchange transactions(Prepayments)

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	751,212	482,892
Total Trade and Other Payables	751,212	492,892

22. Refundable Deposits from Students (Caution)

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumer deposits	432,230	195,230
Total Deposits	432,230	195,230

23. Refundable Deposits from Students CDF

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumer deposits	30,000	15,000
Total Deposits	30,000	15,000

24. Refundable Deposits from Students Examinations

Description	2021-2022	2020-2021
	Kshs	Kshs
Bal b/f	(263,310)	(263,310)
Received	2,171,922	0
Paid	1,721,858	0
Balance c/d	186,754	(263,310)

25. Refundable Deposits from Students KUCCPS

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumer deposits	59,500	0
Total Deposits	59,500	0

26. Financial Risk Management

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

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

(i) Credit risk

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

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

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Notes to the Financial Statements (Continued)

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	3,490,607	3,490,607	0	0
Receivables from non-exchange transactions	1,024,141	1,024,141	0	0
Bank balances	-	-	-	-
Total	4,514,607	4,514,607	0	0
At 30 June 2022				
Receivables from exchange transactions	4,422,606	4,442,606	0	0
Receivables from non-exchange transactions	3,146,641	3,146,641	0	0
Bank balances	-	-	-	-
Total	7,569,247	7,569,247	0	0

44. Financial Risk Management (Continued)

(i) Credit risk (continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for 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 the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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Notes to the Financial Statements (Continued)

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade Payables	0	429,812	0	429,812
Total	0	429,812	0	429,812
At 30 June 2022				
Trade Payables	0	1,459,696	0	1,459,696
Total	0	1,459,696	0	1,459,696

44. Financial Risk Management (Continued)

(iii) Market risk

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

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

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

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

27. Related Party Balances

Nature of related party relationships

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

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Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key Management
- iv) Board of Governors

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

Description	2021-2022	2020-2021
	Kshs	Kshs
A) Purchases from related parties		
Purchases of electricity from kplc	296,830	203,606
Purchase of water from govt service providers	33,647	-
Total	330,477	203,606

28. Events After The Reporting Period

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

29. Ultimate And Holding Entity

Gatanga TVC is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

30. Currency

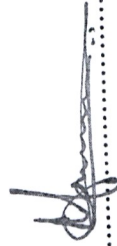
The financial statements are presented in Kenya Shillings (Kshs).

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe
Audit report Financial Year 2020-2021	Qualified opinion	Responded	Not resolved	By 15 th April 2023

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Jeremiah M. Mugo
Principal/Sec BOG

Date.....29/09/2022.....

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Appendix II- Inter-Entity Confirmation Letter

Gatanga Technical and Vocational College wishes to confirm the amounts disbursed to as at 30th June 2022 as indicated in the table below.

Confirmation of amounts received by Gatanga Technical and Vocational College as at 30 th June 2022		Amounts Received as at 30th June 2022				Amount Received (KShs) as at 30 th June 2022 (E)	Differences (KShs) (F)=(D-E)
		Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)		
		1,897,500	-	-	-	1,897,500	0
		1,897,500	-	-	-	1,897,500	0
		2,122,500	-	-	-	2,122,500	0
Total		5,917,500	=	=	=	5,917,500	0

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

Accounting Officer of Gatanga Technical and Vocational College

Name TEREMIAH M-MUKO Sign [Signature] Date 29/09/2022

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