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BY:

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THE TABLE:

Anne Shibuko

THE AUDITOR-GENERAL

ON

**KAJIADO EAST TECHNICAL AND
VOCATIONAL COLLEGE**

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



Kajiado East Technical & Vocational College

P.O. Box 483-01100 Kajiado | Tel: 0789 999770

Email: kajiadoeasttvc@gmail.com



KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

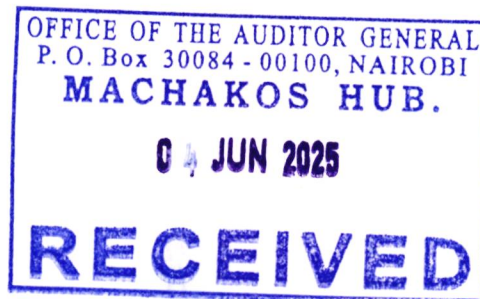


Table of Contents

1.	Acronyms and Definition of Key Terms	3
2.	Key Entity Information and Management	4
3.	The Council/Board of Governors	7
4.	Key Management Team	0
5.	Chairman’s Statement	10
6.	Report of the Chief/Senior Principal	11
7.	Statement of Performance against Predetermined Objectives	12
8.	Corporate Governance Statement	13
9.	Management Discussion and Analysis	14
10.	Environmental And Sustainability Reporting Statement	15
11.	Report of the Council/Board of Governors	16
12.	Statement of Board of Governors/ Council’s Responsibilities	17
13.	Report of the Independent Auditor (<i>Specify entity name</i>)	19
14.	Statement of Financial Performance For The Year Ended 30 June 2024	1
15.	Statement of Financial Position As At 30th June 2024	2
16.	Statement of Changes in Net Asset For The Year Ended 30 June 2024	3
17.	Statement of Cash Flows For The Year Ended 30 June 2024	4
18.	Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024	5
19.	Notes to the Financial Statements	6
20.	Appendices	44

1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)

b. 2. Key Entity Information and Management

(a) Background information

The institution was incorporated/ established under the TVET Act/ 2013 Act on 23/01/2020. The entity is domiciled in Kenya. The institute is under the Ministry of Education. The College, registered with TVETA in accordance with the TVET Act 2013. The College is located in Kisaju Village, Enkeju Sub-Location, Kitengela Location/Ward, Kajiado east Sub-County, and Kajiado County. It is about 7km off Namanga main road. The College has admitted its pioneer trainees in Feb 2021 with eight department and various courses. It offer courses at three level Artisan, Certificate and Diploma both in Technical and Business related discipline courses.

(b) Principal Activities

The principal activity is organise, coordinate and monitor both trainers and non-teaching staffs to attain college mandate that is provide technical education and training in order equip trainees with innovative competencies for sustainable livelihood empowerment and transforms society

(c) Key Management

The entity's day-to-day management is under the board of governors chaired by the chairperson and other official members.

- -Chief Principal
- -Deputy Principals
- -Registrar
- -Dean of students
- -finance officer
- -Heads of departments.
- ...;

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Josyline Nkonge
2.	Deputy principal Administration	Ileve kimotho
3	Deputy principal Academics	Wesley mosigisi
4	Registrar (s)	Gilbert okeya
5	Dean of students	Alex Gitau
6	Head of Finance	Duncan kosen

Key Entity Information and Management

(e) Fiduciary Oversight Arrangements

- *Audit and risk committee activities*
- *Finance and operations committee activities*
- *Academic committee activities*
- *Development partner oversight activities*
- *Other oversight activities*

(f) Entity Headquarters

P.O. Box 483
Kajiado east Building
7km off Namanga Highway
Kajiado, Kenya

(g) Entity Contacts

Telephone: (254) 0789999770
E-mail: kajiadoeasttvc@gmail.com

(h) Entity Bankers

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

Kenya Commercial Bank
Kajiado branch
Kajiado, Kenya

(i) Independent Auditors






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

Key Entity Information and Management





(j) Principal Legal Adviser

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






3. The Council/Board of Governors

Governor	Title	Photograph	Date of birth	Qualification	experience
1. Prof. Thomas T O Mboya	Chairman		14/9/1969	PhD- Computational fluid dynamic	OVER 10 YEARS
2. Mr. Julius kooki lenin	Member		17/5/1969	Bachelor in Project Management	Over 10 years
3. Mr. Moses Gakuru	Member		01/1/1959	CPA, Masters- Strategic management	OVER 10 YEARS
4. Mrs. Jackline Lanoi Saruni	Member		03/6/1975	MSc-Security Mgt	Over 10 years
5. Mr. Nathaniel Kasaro sinkeet	Member		30/11/1966	Degree in Business Adm- HR	OVER 10 YEARS

Kajiado East Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

6. Mrs. Pauline Wafula	Member		03/10/1974	Degree-Quantity Surveying	OVER 10 YEARS
7. Mrs. Bessy D O. Achieng	Member		14/11/1989	Degree-law	Over 10 year
8. Mrs. Josyline K. Nkonge	Secretary		15/12/1965	Masters in Strategic management & Bachelor in Education	19 years
9. Samson Sikinan partalala	Governor representative		2/4/1973	Master's in public administration	Over 10 years

4. Key Management Team

Manager	Title	Photograph	Date of birth	qualification	Experienc e
Mrs. Josyline K. Nkonge	principal		15/12/1965	Masters in Strategic management & Bachelor in education	30 years
George Kimotho	Deputy principal administrati on		30/12/1972	Master's in Business Administration	28 years
Mr Wesley Mosigisi	Deputy principal Academics		16/09/1984	Bachelor of Education	16 years
Mr. Gilbert J. Okeya	Registrar		30/12/1979	Bachelor in education	9 years
Alex Gitau	Dean of trainees		17/06/1980	Bachelor of science in information technology	11 years
Mr. Duncan I. Kosen	Finance Officer		25/06/1990	Bachelor in commerce, CPA	4 Years

5. Chairman's Statement

It gives me much pleasure in presenting the annual report and financial statement of the Kajiado east technical and vocational college for the year ended 2024. The institute Board of Governor note with appreciation the continued support of the government and other stakeholder in the daily running of the institution. We thank government for the new programmes on CBET aimed at matching skills in the institution with industry need. The BOG will work with industry and other partners to strategies in order to ensure that the skills offered at Kajiado East Technical and Vocational College meet the industry needs.

The government has been of great help by providing provision of resources to acquire the skills teaching and other learning materials. We are pleased of the achievement so far realised despite the financial challenges faced especially non-payment of government capitation. I would like to thank the government, supplier, parent, guardian and service provider for their support and trust, cooperation and continue partnership during the FY 2023/2024



25/9/2024

5. Report of the Principal

Let me take this opportunity to present the annual report and financial statement of the Kajiado east technical and vocational college for the year ended 30 June 2024 in accordance with the Accrual method under the international Public Sector Accounting standards (IPSAS).

With support from BOG the institution managed and utilise its financial, procurement and internal control

The institute will continue improving its programme and facilities to enhance growth opportunities in the market despite many challenges that are not favourable to the institution. The lack of piped water that necessitates the institution to keep on buying water for the students. The institution has embarked on improving enrolment as well as improving efficiency and innovativeness in order to equip trainees with appropriate skills. The student total population has improved from 141 to 288 .The institute is already registered with KUCCPS, HELB and started receiving capitation and HELB for some trainees. Forward to expect capitation and student placement.

Lastly, I want to appreciate BOG, Management, staffs and other all stakeholder for their commitment and dedication to their work and ensure that Kajiado east TVC will attain its vision and mission.



6. Statement of Performance against Predetermined Objectives

Kajiado East TVC has strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 23- FY 24. These strategic pillars are as follows:

:

Pillar/ theme/issue 1:

Pillar/ theme/ issue 2:

Kajiado East TVC 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. The *Kajiado East TVC* achieved its performance targets set for the FY 2023/24 period for its strategic pillars, as indicated in the diagram below:

7. Corporate Governance Statement

1. Corporate governance statement

- a) Good corporate governance is the key to integrity and corporation and central to the institute stability
- b) The BOG ensure conformity by focusing and providing institute strategy, direction and policy making
- c) They ensure internal control are in place, accountability, monitoring and safeguarding the asset.
- d) They ensure the financial statement are reliable and rea free from errors and fraud
- e) They also provide and follow transparency and accountability in its stewarding institute affairs

2. Institute BOG

- a) The BOG constitutes of Chairman BOG and seven members who were appointed in accordance to the TVET Act 2013, which meets at least three times a year and any other time when need arise.
- b) BOG responsibility is to set direction of the institute through establishment of strategic information, policies and approval of budget
- c) It monitors implementation of the policies through structure approach of reporting by management and accountability.
- d) BOG have skills, knowledge and experience that help the institute to set goals and attains its objectives
- e) It ensure that the institute has complied with statutory

3. Related party disclosure

- a) The Government
- b) The Board of Governor
- c) The Management

FUNCTION OF THE BOARD OF GOVERNANCE

According to the TVET Act 2013, the BOG shall have the following function

- a) Provide control and regulate finances
- b) Approves budget
- c) Provide oversight and strategic leadership
- d) Employ staff
- e) Determine the method of recruitment, appointment and promotion of all staffs as per the law
- f) Approves polices for the institute.
- g) Approves statutes
- h) Enter into contract or terminate contract on behalf of the institution

Transact any other business of the institute covered by the law

8. Management Discussion and Analysis

Kajiado east tvc has complied with statutory that is required by the government,

Major risks facing the organisation,

- *Poor fee payment*
- *Inadequate funding by the ministry of education that is on capitation, operation and development grant*
- *Limited capacity e.g. Lack of enough classes and trainers*
- *water challenges that is affecting the institution*
- *The institution also has no good accessibility roads especially during rainy season, which are impassable.*

Material arrears in statutory and other financial obligations

The organization does not have any pending bills since it is new and struggling with limited funds.

The suppliers are paid in time therefore limit the pending bills

9. Environmental and Sustainability Reporting Statement

(Two-to-three pages)

Sustainability strategy and profile

(The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure).

Environmental performance

(Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products).

Employee welfare

(Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

Market place practices-

The organisation should outline its efforts to:

- a) Responsible competition practice.
Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.
- b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.
- d) Product stewardship- outline efforts to safeguard consumer rights and interests.

Corporate Social Responsibility / Community Engagements

(The organisation gives details of CSR activities carried out in the year and the impact to the society. Give evidence of community engagement including charitable giving (cash and material), Corporate Social Investment and other forms of community engagements).

10. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the *Kajiado east TVC* affairs.

Principal activities

The principal activity is to organise, coordinate and monitor both trainers and non- teaching staffs to attain college mandate that is provide technical education and training in order equip trainees with innovative competencies for sustainable livelihood empowerment and transforms society

Results

The results of the entity for the year ended June 30 2024 are set out on page

Board of Governors

The members of the Board /Council who served during the year are shown on page VI. During the year 2022 director retired and 2023 was appointed with effect from 1/1/2023 date.

Auditors

The Auditor General is responsible for the statutory audit of the *Kajiado east TVC* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *Kajiado east tvc* for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Secretary of the Board/Council
Nairobi
Date: 25/9/2024

11. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and *section 29 of schedule 2 of the Technical and Vocational Education and Training Act 2013*, require the council members to prepare financial statements in respect of that *Kajiado East Tvc*, which give a true and fair view of the state of affairs of the *Kajiado East Tvc* at the end of the financial year/period and the operating results of the *Kajiado East Tvc* for the year ended 30 June 2024. The Council members are also required to ensure that the *Kajiado East Tvc* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Kajiado East Tvc*. The council members are also responsible for safeguarding the assets of the *Kajiado East Tvc*.

The Council members are responsible for the preparation and presentation of the *Kajiado East Tvc* financial statements, which give a true and fair view of the state of affairs of the *Kajiado East Tvc* for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Kajiado East Tvc*, (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 *Kajiado East Tvc*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the *Kajiado East Tvc* 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 council members are of the opinion that the *Kajiado East Tvc* financial statements give a true and fair view of the state of *Kajiado East Tvc* transactions during the financial year ended June 30, 2024, and of the *Kajiado East Tvc* financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the *Kajiado East Tvc*, which have been relied upon in the preparation of the *Kajiado East Tvc* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the *Kajiado East Tvc* ability to continue as a going concern *OR*

Nothing has come to the attention of the Council members to indicate that the *Kajiado East 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

The *Kajiado East Technical and Vocational College* financial statements were approved by the Board on 25/9/2024 and signed on its behalf by:



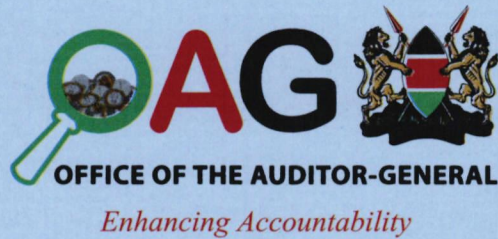
Name
Chairperson of the Board/Council



Name
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE OR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kajiado East Technical and Vocational College set out on pages 1 to 40 which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of net assets, statement of cash flows and statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kajiado East Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Inaccuracies in the Financial Statements

1.1 The Statement of Cash Flows

The statement of cash flows reflects Kshs.1,029,824 as net cashflows from operating activities. However, the amount has not been derived from the Note on cash from operations as required by the template prescribed by the Public Sector Accounting Standards Board (PSASB). In addition, the statement reflects cash and cash equivalents balance as at 30 June, 2024 of Kshs.320,961 while casting of the amounts revealed a balance of Kshs.1,588,686 resulting to unexplained variance of Kshs.1,267,725.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed.

1.2 The Statement of Financial Position

The statement of financial position reflects net assets of Kshs.55,363,837 while the statement of changes in net assets reflects a balance of Kshs.57,101,441 resulting to unexplained variance of Kshs.1,737,604.

In the circumstances, the accuracy of the statement of financial position could not be confirmed.

2.0 Unsupported Property, Plant and Equipment Balance

The statement of financial position and as disclosed in Note 19 to the financial statements reflect property, plant and equipment balance of Kshs.56,129,189. However, the balance does not include equipment of undetermined value donated to the College and reflected in the assets register. In addition, Management did not include in the financial statements the value of fifteen (15) acre parcel of land on which the College is built on. Further, no ownership documents were provided for audit review.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.56,129,189 could not be confirmed.

3.0 Unsupported Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 16 to the financial statements reflect cash and cash equivalents balance of Kshs.320,962. However, the balance was not supported with a bank reconciliation statement and a bank balance confirmation certificate.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.320,962 could not be confirmed.

4.0 Unsupported Receivables from Exchange Transactions

The statement of financial position reflects a balance of Kshs.1,506,421 in respect to receivables from exchange transactions as disclosed in Note 17 to the financial statements. However, the supporting schedule reflects a balance of Kshs.1,135,416 resulting to unreconciled variance of Kshs.371,005. In addition, the ageing analysis disclosure Note was not included in the financial statements as required by the reporting template prescribed by the Public Sector Accounting Standards Board (PSASB).

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.1,506,421 could not be confirmed.

5.0 Unsupported Borrowings Balance

The statement of financial position and as disclosed in Note 21 to the financial statements reflect non-current borrowings balance of Kshs.1,600,000 which was explained to be a borrowing from Masai Technical Training Institute. However, review of the financial records revealed that the Institute advanced the College a total of Kshs.800,000 resulting in unexplained variance of Kshs.800,000. In addition, Management did not provide for audit review the Memorandum of Understanding or an agreement with Masai Technical Training Institute to support the loan received.

In the circumstances, the accuracy, completeness and existence of borrowings balance of Kshs.1,600,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.24,416,000 and Kshs.12,015,181 respectively, resulting to an under-funding of Kshs.12,400,819 or approximately 51% of the approved budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised. However, Management has not resolved all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management has not provided explanation for the delay in resolving the issues.

Other Information

Management is responsible for the other information set out on pages iv to xviii which comprise of Key Entity Information and Management, The Board of Governors, Management Team, Chairman's Statement, Report of the Chief Principal, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board, Statement of Governor's Responsibilities, Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

1. Late Submission of Financial Statements

The financial statements for the year under review were received on 16 October 2024. This is contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

2. Board Members Composition

Review of Board members records revealed that all of them were appointed on 18th January 2023. This is contrary to parameter 1.14 of Mwongozo Code of Governance for State Corporations on succession planning which states that the appointing authority should ensure that the tenures of Board members are staggered to ensure a phased transition.

In the circumstances, promotion of continuity and effective governance could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the College had not established an Internal Audit Function and an Audit Committee. This is contrary to Section 73 of the Public Finance Management Act, 2012 which provides for the establishment of the Internal Audit Function and an Audit Committee. The College did not benefit from the assurance and advisory services from the Internal Audit Function as well as oversight from the Audit Committee.

In the circumstances, existence of an effective oversight mechanism to ensure efficient system of internal control could not be confirmed.

2. Lack of Risk Management Policy

During the year under review, Management did not have a risk management policy, strategies and risk register to monitor, manage and mitigate risks. This is contrary to Section 165 of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism and system of risk management and internal controls that build robust business operations.

In the circumstances, existence of effective risk management measures could not be confirmed.

3. Lack of Segregation of Duties

Review of the internal controls of the College revealed that there was no proper segregation of duties in the accounting function. The roles of maintaining the cash book, preparation of bank reconciliation statements, drawing of cheques and updating student's examination cards were all performed by the Finance Officer.

In the circumstances, existence of an effective system of internal control could not be confirmed.

4. Use of Manual Accounting Systems

During the audit, it was noted that the College used manual accounting systems in development of the financial statements, maintenance of cash books, reconciliations and tracking of its financial data which are prone to errors. Although Management had purchased an accounting system (System One), it was observed that it was still unreliable as it could not help in generating ledgers and tracking accounts receivables and revenue. In addition, payments were made using invoices instead of payment vouchers.

In the absence of automated accounting systems, the effectiveness of internal controls could not be confirmed.

5. Use of Manual Payroll

Review of records revealed that the College used a manual payroll during the year under review. The use of manual system requires manual calculations of deductions to arrive at net monthly pay and constant updates of the data, which makes it prone to human error and misuse leading to weak internal controls on management of personnel emolument.

In the circumstances, internal controls on management of personnel emoluments could not be confirmed.

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 the Management and Board of Governors

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

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

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

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

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 June, 2025

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

13. Statement of Financial Performance for the Year Ended 30 June 2024

	Notes	2023-2024	2022-2023
		FY	FY
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	2,000,000.00	2,818,000.00
		2,000,000.00	2,818,000.00
Revenue from Exchange transactions			
Rendering of services- fees from students	7	11,486,202.00	4,798,390.00
Sale of goods	8	10,400.00	588,243.40
Rental revenue from facilities and equipment	9	25,000.00	0
Revenue from Exchange transactions		11,521,602.00	5,386,633.00
Total Revenue		13,521,602.00	8,204,633.00
Expenses			
Use of goods and services	10	9,678,485.00	5,195,929.00
Employee costs	11	1,173,250.00	2,162,868.00
Board /Council Expenses	12	812,854.00	259,730.00
Depreciation and amortization expense	13	1,599,480.00	1,590.106.00
Repairs and maintenance	14	136,925.00	63,000.00
Finance costs	15	12,882.00	0
Total expenses		13,413,876.00	9,271,633.00
surplus for the year		107,726.00	(1,067,000.00)

The Financial Statements set out on pages 1 to 61 were signed by:



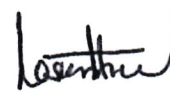
**Chairman of
Council/Board**

Date 25/9/2024



Principal

Date 25/9/2024



Finance Officer

ICPAK No

Date 25/9/2024

Kajiado East Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

14. Statement of Financial Position as At 30th June 2024

Description	Notes	2023-2024	2022-2023
		FY	FY
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	320,962.00	633,862.00
Receivable from exchange transactions	17	1,506,421.00	654,890.00
Receivables from non-exchange transactions	18	0	1,000,000.00
Total Current Assets		1,827,383.00	2,288,752.00
Non-Current Assets			
Property, plant, and equipment	19	56,129,189.00	57,653,668.00
Total Non-Current Assets		56,129,189.00	57,653,668.00
Total Assets (A)		57,956,572.00	58,942,420.00
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	20	992,735.00	1,348,705.00
Total Current Liabilities		992,735.00	1,348,705.00
Non-Current Liabilities			
Non- Current Borrowings	21	1,600,000.00	1,600,000.00
Total non- current liabilities		1,600,000.00	1,600,000.00
Total Liabilities (B)		2,592,735.00	2,948,705.00
Net Asset (A-B)		55,363,837.00	
Represented By:			
Revaluation Reserves		0	0
Accumulated Surplus		(604,444)	(712,170)
Capital Fund		57,705,885.00	57,705,885.00
Net Assets		57,101,441.00	59,942,420.00

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



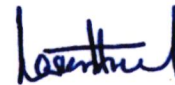
Chairman of Council/Board

Date



Principal

Date



Finance Officer

ICPAK No

Date

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Changes in Net Asset for the Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	0	(712,170)	57,705,885	56,993,715
Revaluation gain	0	-	-	0
surplus for the year	-			
At June 30, 2023	0	(712,170)	57,705,885	56,993,715
At July 1, 2023	0	(712,170)	57,705,885	56,993,715
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	-	107,726	-	107,726
Capital grants received during the year	-	-	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0	0	-
At June 30, 2024	0	(604,444)	57,705,885	57,101,441

16. Statement of Cash Flows for the Year Ended 30 June 2024

Description	Note	2023-2024	2022-2023
		FY	FY
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	2,000,000.00	2,818,000
Rendering of services- fees from students	7	11,486,202.00	4,798,390.00
Sale of goods	8	10,400.00	588,243.4
Rental revenue from facilities and equipment	9	25,000.00	0
Total Receipts		13,521,602.00	8,204,633.00
Payments			
Use of goods and services	10	9,678,485.00	5,195,929.00
Employee costs	11	1,173,250.00	2,162,868.00
Board /Council Expenses	12	812,854.00	259,730.00
Repairs and maintenance	14	136,925.00	63,000.00
Finance cost	15	12,882.00	0
Total Payments		11,814,396.00	7,681,527.00
Adjustment for working capital changes			
Receivable increase/decrease	17	1,213,259.00	293,162.00
Payables increase/decrease	20	(384,220.00)	1,294,045.00
Total adjustments		829,038.00	1,587,207.00
Net cash flows from operating activities		1,029,824.00	2,110,313.00
Cash flows from investing activities			
Purchase of PPE		(75,000.00)	(1,537,888)
Net cash flows used in investing activities		(75,000.00)	(1,537,888)
Net Increase/(Decrease) in Cash and Cash equivalents		954,824.00	572,425.00
Cash and Cash equivalents at 1 JULY 2023	16	633,862.00	61,437.00
Cash and Cash equivalents at 30 JUNE 2024	16	320,961.55	633,862.00

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

17. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	2,000,000	0	2,000,000	2,000,000	0	0
Grants from donors and development partners	0	0	0	0	0	0
Transfers from other levels of government	0	0	0	0	0	0
Public contributions and donations	0	0	0	0	0	0
Rendering of services- fees from students	19,896,000.00	0	19,896,000.00	9,979,781.00	9,916,219.00	50%
Sale of goods	1,800,000.00	0	1,800,000.00	10,400.00	1,789,600.00	99%
Rental revenue from facilities and equipment	0	0	0	25,000.00	(25,000)	100%
Finance income	0	0	0	0	0	0
Miscellaneous Income	720,000.00	0	720,000.00	0	720,000.00	100%
Total Income	24,416,000.00	0	24,416,000.00	12,015,181.00	12,400,819.00	24%
Expenses						
Use of goods and services	12,902,120.00	-	12,902,120.00	9,678,485.00	3,223,635.00	25%
Employee costs	5,844,000.00	0	5,844,000.00	1,173,250.00	4,670,750.00	80%
Board /Council Expenses	269,000.00	0	269,000.00	812,854.00	-543,854.00	202%
Repairs and maintenance	3,225,000.00	0	3,225,000.00	136,925.00	3,088,075.00	100%
Finance cost	0	0	12,882.00	12,882.00	0.00	100%
Total Expenditure	22,240,120.00	0	22,253,002.00	11,814,396.00	10,438,606.00	
Surplus For the Period	2,175,880.00	0	2,162,998.00	200,785.00	1,962,213.00	40%
Capital Expenditure	0	0	0	75000	75000	100%

18. Notes to the Financial Statements

1. General Information

Kajiado east technical and vocational is established by and derives its authority and accountability from xxx Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is xxx.

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 judgment in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. 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.

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, 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: 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.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans, which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii. Early adoption of standards

Kajiado east tvc did not early adopt any new or amended standards in year 2024 the entity adopted standard xx and xx. The impact of these standards on entity's financial statements is xx.(amend appropriately)

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

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.

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.

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on **xxx**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of **xxx** on the 2023/2024 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **xx** under section **xxx** of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule **xxx** of the **xxx** Act.

Sales tax/ Value Added Tax

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

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

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

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 an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* 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 or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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.

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 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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

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.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

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

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.

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

Inventories (Continued)

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.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

M) 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*).

n) 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.

o) 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

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

iii. 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.

iv. 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.

v. 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.

Service concession arrangements

The *Kajiado East Tvc* 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.

vi. 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 imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

vii. Comparative figures

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

viii. 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, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Kajiado East TVC* 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.

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

6) Transfers from other National Government entities

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Unconditional Grants		
Operational Grant	2,000,000.00	818,000
Development grants	0	0
Other Grants	0	2,000,000
Total unconditional Grants	2,000,000.00	2,818,000
Conditional Grants amortised/ recognised in revenue		
Library Grant	0	0
Hostels Grant	0	0
Administration Block Grant	0	0
Laboratory Grant	0	0
Learning Facilities Grant	0	0
Other Organizational Grants	0	0
Total Government Grants and Subsidies	2,000,000.00	2,818,000

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

7) Rendering of Services

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Tuition Fees	5,422,868.00	2,357,285.00
Activity Fees	668,072.00	291,450.00
Industrial Attachment Fees	296,000.00	261,000.00
Examination Fees	614,830.00	586,180
Library Fees	0	0
Facilities And Materials	1,906,092.00	1,215,475
Registration Fees	296,000.00	87,000.00
Repair and maintainance	482,036.00	0
Local travel and transport	584,452.00	
Caution money	148,000.00	
EW&C	584,452.00	
Accommodation	365,000.00	
TVETA	74,000.00	
Students IDS	44,400.00	
Total Revenue from The Rendering of Services	11,486,202.00	4,789,390.00

8) Sale of Goods

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Sale of dust coat	10,400.00	0
Sale of Publications	0	0
Sale of Farm Produce	0	0
Cafeteria sales	0	588,243.4
Other sales (specify)	0	0
Total Revenue from Sale of Goods	10,400.00	588,243.4

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

9) Rental revenue from facilities and equipment

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Hire of Facilities and Equipment, shop and cafeteria	25,000.00	0
Contingent Rentals	0	0
Operating Lease Revenue	0	0
Total	25,000.00	0

10) Use of Goods and Services

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Teaching and learning materials	4,119,950.00	241,311
Industrial attachment costs	0	0
Electricity	302,037.00	250,000
Water	243,040.00	199,140
Security	0	82,000
Professional and consultancy services	0	0
Subscriptions ,KUCCPS	374,088.00	0
Advertising	41,000.00	113250
Examination fees	770,830.00	586180
Audit fees	0	0
Catering, conferences, and delegations	243,974.00	588,243.4
Travelling and accommodation	1,258,285.00	449,600
Fuel and oil	0	0
Insurance	0	20,241
Students IDS	18,800	0
Jitume programme	329,050.00	0
Printing and stationery	1,693,931.00	731,427
Newspapers	60,000.00	0
Rent expenses	0	0
Skills development levies	0	0
Telephone expenses	120,000.00	120,000
Internet expenses	103,500.00	81,450
Training expenses	0	15621
Total good and services	9,678,485.00	3,675,616

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

11) Employee Costs

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Salaries and wages	1,173,250.00	2,162,868
Social contributions	0	0
Employee Costs	1,173,250.00	2,162,868

12) Board/Council Expenses

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Chairman's Honoraria	0	0
Directors Emoluments	812,854.00	259,730
Other Allowances	0	0
Other Board/Council Expenses	0	0
Total	812,854.00	259,730

13) Depreciation and Amortization expense

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Building	1,458,697.00	1,458,696.00
Furniture and fittings	78187.00	68,813.00
computer	19,614.00	19,614.00
Property, plant and equipment	42,982.00	42,983.00
Total depreciation and amortization	1,599,480.00	1,590,106.00

14) Repairs and Maintenance

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Property	136,925.00	63000
Total Repairs and Maintenance	136,925.00	63000

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

15) Finance Costs

Description	2023-2024	2022-2023
	FY Kshs	FY Kshs
Borrowings (Amortized Cost)*	0	0
Finance Leases (Amortized Cost)	0	0
Unwinding of Discount from lease liabilities	0	0
Interest on Bank Overdrafts	0	0
Interest on Loans from Commercial Banks	0	0
Charges of bank statements and cheque book	12,882.00	0
Total Finance Costs	12,882.00	0

16) Cash and Cash Equivalents

Description	2023-2024	2022-2023
	FY Kshs	FY Kshs
Current Account	320,962.00	633,862
On - Call Deposits	0	0
Fixed Deposits Account	0	0
Staff Car Loan/ Mortgage	0	0
Others (Specify)	0	0
Total Cash and Cash Equivalents	320,962.00	633,862

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

Financial Institution	Account number	2023-2024 FY Kshs	2022-2023 FY Kshs
a) Current Account			
Kenya Commercial Bank	1261269217	213,256.	633,862
Co-op bank		107,706.00	0
Sub- Total		320,962.00	633,862
Grand Total		320,962.00	633,862

16) Receivables from Exchange transactions

17 (a) Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Current Receivables		
Student Debtors	1,506,421.00	654,890
Rent Debtors	0	0
Consultancy Debtors	0	0
Other Exchange Debtors	0	0
Less: Impairment Allowance	0	0
Total Current Receivables	1,506,421.00	654,890

17(b) Long- term Receivables from Exchange transactions

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	0	0
Advance Payments	0	0
Public Organizations	0	0
Less: Impairment Allowance	0	0
Total	0	0
Current Portion Transferred To Current Receivables	0	0
Total Non-Current Receivables	0	0
Total Receivables	0	0

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

17 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2023-2024		2022-2023	
	FY		FY	
	Kshs		Kshs	
	Current F	% of total	Comparative FY	% of the total
Less than 1 year	0	0%	0	0%
Between 1- 2 years	0	0%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (a+b)	0	0%	0	0%

18) Receivables from Non-Exchange transactions

Description	2023-2024		2022-2023	
	FY		FY	
	Kshs		Kshs	
Current Receivables				
Capitation Grants*			818,000	
Transfers from Other Govt. entities	0		2,000,000	
Undisbursed Donor Funds	0		0	
Other Debtors (Non-Exchange Transactions)	0		0	
Less: Impairment Allowance	0		0	
Total Current Receivables	0		2,818,000	

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

19)Property, Plant and Equipment

Cost	Land	2.5% Buildings	Motor vehicles	12.5% Furniture and fittings	33.3% Computers	15% Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022	0	57,645,885	0	60,000	0	0	0	57,705,785
Additions	0	701,938	0	490,500	58,900	286,550	0	1,537,888
Disposals	0	0	-	-	0	-	0	0
Transfers/Adjustments	0	0	-	-	0	-	0	0
At 30th June 2023	0	58,347,823	0	550,500	58,900	286,550	0	59,243,773
Additions	0	0	0	75,000	0	0	0	75,000
Disposals	0	-	-	-	0	-	0	0
Transfer/Adjustments	0	0	-	-	0	-	0	0
At 30th June 2024	0	58,347,823	0	625,500	58,900	286,550	0	59,318,773
Depreciation And Impairment								
At 1 July 2022	0	1,458,697	0	68,813	19,614	42,983	0	1,590,105
Depreciation	-	0	0	-	-	0	0	0
Disposals	-	0	0	-	-	0	0	0
Impairment	-	0	0	-	-	0	0	0
At 30 Jun 2023	0	1,458,697	0	68,813	19,614	42,983	0	1,590,105
Depreciation	-	1,458,697	0	78,187	19,614	42,982	0	1,599,480
Disposals	-	0	0	-	-	0	0	0
Impairment	-	0	0	-	-	0	0	0
Transfer/Adjustment	-	0	0	-	-	0	0	0
At 30th Jun 2024	-	2,917,394	0	147,000	39,228	85,964	0	3,189,586
Net Book Values								
At 30th Jun 2023	0	56,889,126	0	60,000	0	0	0	57,705,885
At 30th Jun 2024	-	55,430,429	0	478,500	19,672	200,586	0	56,129,187

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Notes to the Financial Statements (Continued)

Valuation

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

19 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	0	0	0
Buildings	58,347,823	2,917,394	55,430,429
Furniture, And Fittings	625,500	147,000	478,500
Computers and Related Equipment	58,900.00	39,228	19,672
Plant and equipment's	286,550	85,964	200,586
Total	59,318,773	3,189,586	56,129,187

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

20) Trade and Other Payables

Description	2023-2024		2022-2023	
	FY		FY	
	Kshs		Kshs	
Trade payables	992,735		1,348,704.00	
Fees paid in advance	0		0	
Salary deductions	0		0	
Third-Party Payments	0		0	
Other Payables	0		0	
Total Trade and Other Payables	992,735		1,348,704.00	
	Current FY	% of the Total	Comparative FY	% of the Total
Ageing analysis:				
Under one year	992,735	100%	1,348,704.00	100xxx
1-2 years	0	0%	0	0%
2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (to tie to totals above)	992,735	100%	1,348,704.00	100%

21) Borrowings

Description	2023-2024		2022-2023	
	FY		FY	
	Kshs		Kshs	
Balance at beginning of the year	1600,000		1600,000	
External borrowings during the year	0		0	
Domestic borrowings during the year	0		0	
Repayments of external borrowings during the year				
Repayments of domestic borrowings during the year	0		0	
Balance at end of the year	1,600,000		1,600,000	

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

22) Cash generated from operations.

Surplus for the year before tax	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Adjusted for:		
Depreciation	0	0
Non-Cash grants received	0	0
Contributed assets	0	0
Impairment	0	0
Gains and Losses on Disposal of Assets	0	0
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Finance Income		
Finance Cost	0	0
Working Capital Adjustments	0	0
Increase in Inventory	0	0
Increase in Receivables	0	0
Increase in Deferred Income	0	0
Increase in Payables	0	0
Increase in Payments received in advance	0	0
Net Cash Flow from Operating Activities	0	0

ix. 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

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

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 2023				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 2024				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

Financial risk management

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 entity has significant concentration of credit risk

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.

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.

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 20XX (previous year)				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0
At 30 June 20XX (current year)				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets (Investments, Cash, Debtors)	0	0	0
Liabilities			
Trade and Other Payables	0	0	0
Borrowings	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

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

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Foreign currency sensitivity analysis

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20XX: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20XX – Kshs xxx)

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

iv) Capital Risk Management

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

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	0	0
Capital Reserve	0	0
Total Funds	0	0
Total Borrowings	0	0
Less: Cash and Bank Balances	0	0
Net Debt/(Excess Cash and Cash Equivalents)	0	0
Gearing	0	0

x. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0	0
Rent income from govt. agencies	0	0
Water sales to govt. agencies	0	0
Others (<i>specify</i>)	0	0
Total	0	0
B) Purchases from related parties		

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Purchases of electricity from kplc	245,313.00	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. agencies	0	0
Others (<i>specify</i>)	0	0
Total	245,313.00	0
b) Grants /Transfers from the Government		
Grants from National Govt	2,000,000	2,818,000
Grants from County Government	0	0
Donations in Kind	0	0
Total	2,000,000	2,818,000
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	1,614,590	2,137,868
Payments for Goods and Services for XX	7,328,771.00	3,415,886
Total	8,943,361	
d) Key Management Compensation		
Directors' emoluments	812,854.00	259730
Compensation to Key Management	0	0
Total	812,854.00	5,813,484

xi. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

xii. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0	0
Assets arising from determination of Court Cases	0	0
Reimbursable Indemnities and Guarantees	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

Contingent Liabilities

Description	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Contingent Liabilities	0	0
Court Case Xxx against (<i>The Entity</i>)	0	0
Bank guarantees in favour of subsidiary	0	0
Contingent liabilities arising from Contracts including PPPs	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

(Give details)

xiii. Capital Commitments

Capital Commitments	2023-2024	2022-2023
	FY	FY
	Kshs	Kshs
Authorised for	0	0
Authorised and Contracted for	0	0
Total	0	0

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

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

xiv. Events After The Reporting Period

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

xv. Ultimate And Holding Entity

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

xvi. Currency

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

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

xvii. **Appendices**

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Unsupported Property, Plant and Equipment Balance	Efforts are ongoing to retrieve or reconstruct relevant supporting documentation from archived records and other internal sources	Not Resolved	30/6/2025
	Unsupported Borrowings Balance	A thorough reconciliation is currently underway to verify all outstanding borrowings. This includes tracing borrowings to original agreements; bank statements and confirmation are being sought directly from masai technical institutions to validate the outstanding amounts and terms.	Not Resolved	30/6/2025
	Unsupported Receivables from Exchange Transactions	A comprehensive reconciliation of receivables balances is underway to match outstanding amounts with valid supporting documents.	Resolved	
	Liabilities without Double Entry	We are working with the IT and finance teams to strengthen automated controls within the accounting system to prevent incomplete postings and enforce double-entry rules	Resolved	

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Unsupported Cash and Cash Equivalents	Bank reconciliation and bank certificate balance will be provided to support this	Resolved	
	Unsupported Comparative Balances	Measures have been taken to improve record retention and documentation practices, including digitization of financial archives and better control over year-end financial close procedures.	Resolved	
	Budgetary Control and Performance	Formal mid-year budget reviews have been introduced to ensure that the budget remains aligned with actual performance and changing operational need Will provide justifications for variances and to implement corrective measures where necessary.	Resolved	
	Unresolved Prior Year Matters	The Audit Committee has been engaged to provide oversight and support in ensuring closure of all pending items from prior years	Resolved	
	Late Remittance to National Hospital Insurance Fund (NHIF)	The payroll process will be integrated with statutory remittance schedules to ensure automated calculation and prompt payment of NHIF dues	Resolved	
	Late Remittance to National Social Security	The payroll process will be integrated with statutory remittance schedules to	Resolved	

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Fund (NSSF)	ensure automated calculation and prompt payment of NSSF dues		
	Lack of Internal Audit Function and Audit Committee	The Internal Audit Unit was formally established on 8/6/2023, and it operates independently, reporting directly to the Audit Committee	Resolved	
	Lack of Risk Management Policy	management wishes to clarify that a risk management framework is currently in place and has been operational	Resolved	
	Lack of Segregation of Duties	<ul style="list-style-type: none"> • Where full segregation is not immediately feasible due to staffing constraints, we have implemented compensating controls such as: <ul style="list-style-type: none"> • Independent review and approval of transactions • Dual signatory requirements for payments • Regular supervisory checks and reconciliations 	Resolved	

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024



Name
Accounting Officer
Kajiado East TVC
Date

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Appendix II: Projects Implemented by (*The Entity*)

Projects

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

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

Status of Projects completion

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

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

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity.....

Name of beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

Head of Accounts Department - Beneficiary Entity:
 Name Sign Date.....

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Appendix IV: Reporting of Climate Relevant Expenditures

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

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Appendix V: Reporting on Disaster Management Expenditure

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

