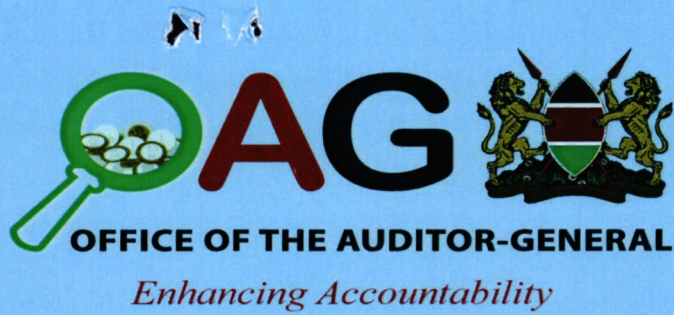


REPUBLIC OF KENYA



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ON

**OKAME TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2019**



OKAME TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2019**

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

**OKAME TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019**

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KEY ENTITY INFORMATION AND MANAGEMENT**(a) Background information**

Okame Technical and Vocational College (OTVC) is a Public Institution established by the Government of Kenya under the TVET Act on 2017. The first batch of students were admitted in September 2018.

The College is located in Teso South Sub-County, Busia County, Teso South Constituency approximately 5 kilometres off Mumias –Busia road at Tangakona junction. The College is supported by the Ministry of Education (MOE) and admits students for Artisan, Craft, Diploma and CBET courses.

(b) Principal Activities

The mandate of Okame TVC encompasses the following:- Training and developing middle level manpower for national development, advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the national production system, offering courses leading to the award of up to diploma certificates in TVET programmes in collaboration with other tertiary institutions and appropriate industries across the board.

(c) Key Management

Okame Technical and Vocational College day-to-day management is under the following key organs:

- ❖ Board of Governors
- ❖ Accounting officer/ Principal
- ❖ Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mr. Samson Wekesa Ndeke
2.	Deputy Principal	Mrs. Carolyne Aor Kwedho
3.	Head of Finance	Mr. Odaro Moses

(e) Fiduciary Oversight Arrangements

- Finance, Planning and Development Committee
- Human Resources and Training Committee

**OKAME TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019**

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

Okame Technical and Vocational College (OTVC)
P.O. Box 116-50400.
Amukura – Adungosi Road
Busia KENYA.

(g) Okame Technical and Vocational College Contacts

Telephone: (+2540721910483)
E-mail: Okametechnical@gmail.com

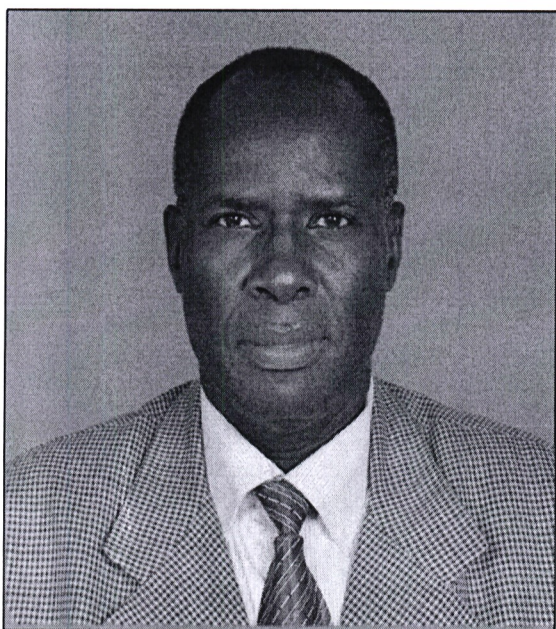
(h) Okame TVC Bankers

1. National Bank of Kenya
P.O. Box 264-50400
Busia Kenya
2. Kenya Commercial Bank
P.O. Box 116-50400
Busia Kenya

(i) Independent Auditors

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

THE COUNCIL/BOARD OF GOVERNORS



MR. DAVID OJAKAA **Born: 1955**

Dr. David was appointed on 5th October 2018 as the first Chairperson of the Board of Governors for Okame TVC. He holds PhD in Demography from Montreal University, Masters of Science Population studies from the University of Nairobi and Bachelor of Education (B.Ed) Science, Mathematics and Geography. Dr. David is the Chairman, University Council in Eldoret University. He is also the managing Director and Consultant at BRIM Ltd.



MR. PAUL AYO WAINDI **Born: 1949**

Mr. Waindi was appointed on 5th October 2018 as a Member to the Board of Governors for Okame TVC. He holds a Master's Degree in Education Management and Bachelor of Technology (B.Tech.) both from the University of South Africa. Mr. Paul is retired trainer and served at a capacity of Deputy Principal at Mombasa Technical Training Institute. He served in various positions and rose to the rank of Senior Assistant Director of Quality Assurance and Standards when he retired. He is currently a consultant in Education and Training and Chairperson Board of Management at Dr. Aloo Gumbi Secondary School- Kisumu East. He has been appointed as the Chairperson Human Resources and Training Committee, implementing fiduciary oversight arrangements.

**OKAME TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019**



MR. NICHOLAS GITUMA BUNDI Born: 1982

Mr. Nicholas was appointed on 5th October 2018 as the Member of the Board of Governors for Okame TVC. He holds Bachelor of Science (B.Sc.) Applied Biology- Microbiology Major, Advanced Diploma in Technical Education (PGDE) and a Certificate in Psychological Debriefing and Trauma counselling. Mr. Nicholas is currently the Registrar Matric Institute of Professional Studies Thika.



MRS. JANEGORRETTI ONYAIT Born: 1972

Mrs. Janegorretti was appointed on 5th October 2018 as the Member of the Board of Governors for Okame TVC. She is currently the Principal Officer Planned Healthcare LTD and a member to the Board of Management at Kotur Secondary School. She is a holder of a Post Graduate Diploma in Human Resource Management from University of Nairobi and Certificate of Proficiency in Insurance from College of Insurance.



MS. HELLEN MUKANDA Born: 1976

Ms. Hellen was appointed on 5th October 2018 as the Member of the Board of Governors for Okame TVC. She is the Executive Director, GAP Kenya (Non state Organization) and holds Bachelor of Science (B.Sc.) Environmental Health. She has been appointed as the Chairperson Finance, Planning and Development Committee (FPDC) implementing fiduciary oversight arrangements.



MRS. LOICE NYONGESA Born: 1992

Mrs. Loice was appointed on 5th October 2018 as the Member of the Board of Governors for Okame TVC. She holds a Bachelor's in Law from Kenyatta University. Mrs. Loice is currently undertaking a Post graduate Diploma in Kenya School of Law. She is also a Sacco Administrator in Kenya China Diaspora Sacco.



MR. SAMSON WEKESA NDEKE Born: 1963

Mr. Samson was deployed in December 2017 as the Principal/ Secretary to the Board of Governors for Okame TVC. He holds a Bachelor of Education (B.Ed) Technology from Moi University and Diploma in Building Technology from the Kenya Technical Trainers College. Mr. Samson also worked in the cadre of the Deputy Principal at Bumbe TTI, Sangalo Institute and Sigalagala National Polytechnic.

MR. GEORGE OLEWE

**DIRECTOR TVET
BUSIA/BUNGOMA REGION**

**OKAME TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019**

MANAGEMENT TEAM



1. MR. SAMSON WEKESA NDEKE

PRINCIPAL/ SECRETARY BOG



2. MRS. CAROLYNE AOR KWEDHO

DEPUTY PRINCIPAL



3. MR. ODARO MOSES ONGALA

FINANCE OFFICER

CHAIRMAN'S STATEMENT



Following the appointment of the Board of Okame Technical and Vocational College (OTVC) and its individual members in October 2018, I am pleased, proud, and satisfied to state that the board has moved in quickly to discharge its functions. In February 2019 the board congregated with others at our mentor institution (Bumbe Technical Vocational College) to witness its official launch. In April 2019, board members attended the orientation training in Kisumu town, a forum from which they learnt immensely on Governance of their institutions. Earlier, in March 2019, the Chairman, principal and a board member made a half-day visit to the Rift Valley Technical Training Institute (RVTTI) in Eldoret town for a bench-marking tour. The advances which the board members witnessed and saw at RVTTI serve as best practices that will guide the aspirations of our college.

With these preparations and orientations, our young board has discharged several critical and expected activities. Board and committee meetings have taken place as prescribed and scheduled in Government regulations. Within the first meeting of the board two important committees – the Finance, Planning and Development Committee (FPDC) and the Human Resources and Training Committee (HRTC) – were formed. The board thereafter went ahead to consider and approve the interim policies and guidelines (on financial procedures and HR guidelines respectively) developed by these two committees. A culminating event for the board was to preside over the shortlisting and interviewing processes for full-time trainers which was held at Sigalagala Technical Training Institute in April 2019. The outcome was the selection of 10 trainers who we expect to come on board soon.

Challenges

Due in part to its recent establishment, the college has faced several constraints. First, from policy and strategic point of view, increasing student enrolment and retention has been an issue. Secondly, reliance on part-time trainers with implied issues in their regulation and the burden of paying for them falling on the board has been another not so visible but nevertheless real issue. Thirdly, managing expectations of the college and surrounding community – who envisage instant transformation – was similarly a hurdle to reckon with.

Way forward

With the prevailing goodwill and opportunities from many institutions within Busia County and beyond, the future outlook for the college can only be bright. The assumption of course is that the board and management of the college will seize these opportunities in time. At least four activities await implementation and attention in the course of the coming year. The board will prioritize the development of a strategic plan as early as possible in the new year (2019/2020). A concise marketing strategy to attract more students to at least 500, and retain those already studying in the college will be developed and

**OKAME TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019**

implemented. A resource mobilization strategy to attract funding for identified priority projects will be developed and put in action. The board will also consider and approve a business model to make the college self-sustaining.

Acknowledgements

As a winning team, the board and the Chairman I particular, is aware that it could not possibly achieve what it has done nor go into the future alone. For this reason, I am sincerely grateful to board members for quickly bonding and providing a mature and national outlook when transacting board business. The Board wishes to thank the Teso South NG-CDF for undertaking key crucial projects namely; Six door Pit latrines and acquisition of the 33 Seater College Bus- which is in process. The Board also thanks the Principal, Deputy-Principal, and staff for their dedication, commitment and collaboration. The Regional TVET office has been consistent in its support and for this we say thank you. Lastly, the leadership of the department of TVET at the national level are gratefully acknowledged for their policy and operational support and guidance.

Signature 

Date..... 15/06/2021

REPORT OF THE PRINCIPAL



Okame Technical and Vocational College sited in Akadai village, Okame Location, Chakol South Sub-county and Busia County is a public institution with registration No Tveta/Public/RC/056/2017. The college was mentored by Bumble Technical Training Institute. The (5) five acre college land registration No South Teso /chakol /818 was purchased by NG-CDF Teso South constituency. The one storey building that was constructed by GOK houses two workshops for Mechatronics Engineering, 8 classrooms, staffroom, computer laboratory, library space and offices. The college opened its doors for students in September 2018 with the first intake.

1.0 HUMAN RESOURCE

The college is managed by a board of governors inaugurated in February 2019 led by Dr. David I. Ojaka. The Board underwent an induction training in April 2019 in at Kisumu Hotel that took them through governance in TVET institutions. The Chairman, Principal and one BOG member also visited RVTTI to benchmark on best practices that can help Okame TVC take off faster. Currently there are nineteen Trainers in the college, three deployed by the Ministry and sixteen on Board employment. The college led by the BOG interviewed 10 trainers may be joining the college once the recruitment process is over. The college has 10 board employees for support services.

2.1 COURSES AND ENROLMENT

The college is a Centre of excellence in Mechatronics Engineering. Other courses include ICT, plumbing, Secretarial Studies, Hair Dressing and Beauty Therapy, Business Management, Supply Chain Management and Electrical & Electronics at different levels. The total enrolment as at 12th July 2019 was 141 trainees spread across the courses.

3.0 PROJECTS UNDERTAKEN

With the support of the CDF-NG Teso South, the college has undertaken various projects namely planting 2500 assorted fruit trees and Construction of 6-door pit latrine. Process of acquisition of 33-seater funded by CDF Teso South Constituency is ongoing.

The college also has a solar-powered borehole which was constructed by the National Government through The Lake Victoria North Water Services Board that will give water to the community as Corporate Social Responsibility.

**OKAME TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019**

4.0 STRENGTHS

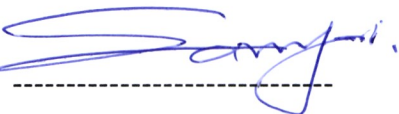
- I. Citing of the college is strategic since it is the only one of its kind in the area.
- II. The college is close to Busia town hence an opportunity to begin Town campus
- III. There is good will from the community
- IV. Substantive Board of Governors in place.

5.0 CHALLENGES

The college is in dire need for:

- 1. Public Service Commission trainees to ease the burden on the BOG.
- 2. Power back up to address blackouts.
- 3. Hostels to attract clients from all over the country.
- 4. Development of the fields for co-curricular activities.
- 5. Equipment and tools for technical courses i.e Plumbing, Welding and Fabrication, Hair dressing and Beauty Therapy, Technical Drawing for hands on training.
- 6. Transportation: Double Cabin and Bus for mobility and training.
- 7. E- library: Computers, chairs, Tables for research and innovation needs.
- 8. Fill administrative positions for effective operations of the college.

SIGN: -----



DATE.....

15/6/2021

1. REVIEW OF OKAME TECHNICAL AND VOCATIONAL COLLEGE'S PERFORMANCE FOR FY 2018/2019

Over the Financial year 2018/2019, Okame Technical and Vocational College had not developed its Strategic plan.

OKAME TVC CORPORATE GOVERNANCE STATEMENT

Okame Technical and Vocational College is driven by its mission to be a leading TVC in provision of quality Technical and Vocational Education and Training to ensure production of competent human personnel with the requisite skills. The college shall be governed by the Board of Governors appointed by the Cabinet Secretary in the Ministry of Education.

The functions of the board of Governors as set out under section 28 (1) shall include —

- (a) Overseeing the conduct of education and training in the institution in accordance with the provisions of this Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;
- (h) Mobilizing resources for the institutions;
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
- (l) Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institution
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board;
- (p) Providing for the welfare of the students and staff of the institutions;
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- (r) Discharging all other functions conferred upon it by this Act or any other written law

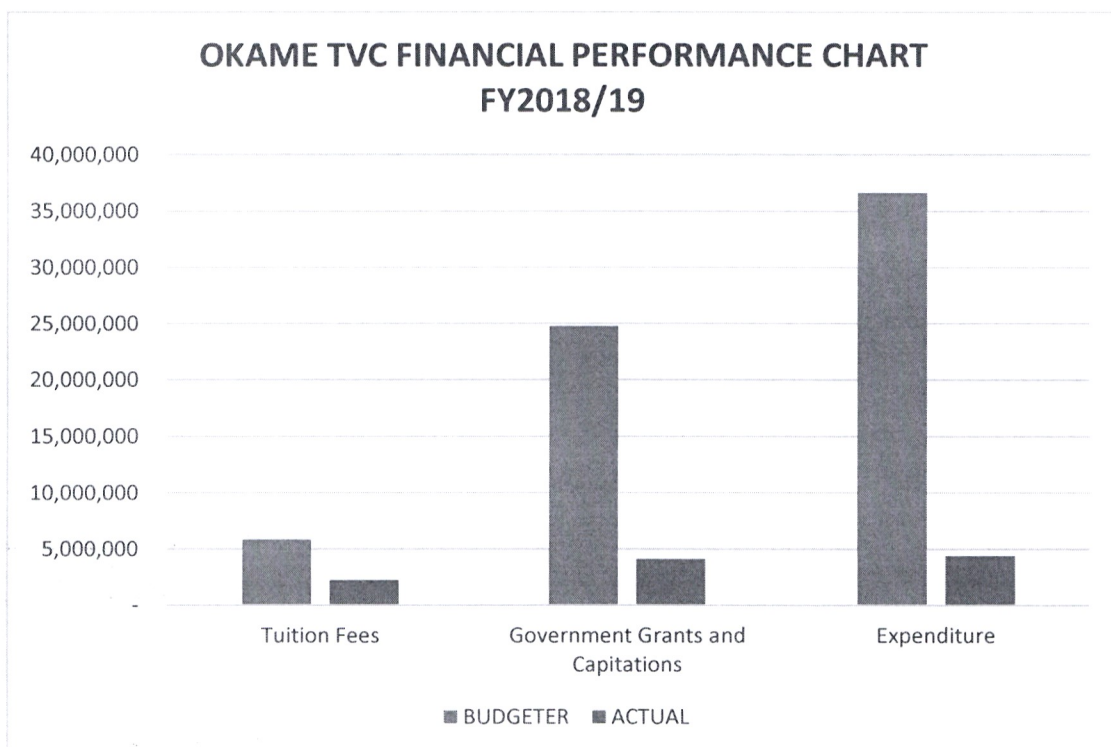
**OKAME TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019**

The second schedule of the TVET Act allows the CS to appoint members of the Board of Governors consisting of not less than seven and not more than nine members. The Cabinet Secretary Ministry of Education appointed the following to be the Chairperson and members with effect from 5th February 2019. Chairperson-Dr. David I. Ojaka, Members- Ms Hellen Ajiambo Mukanda, Ms Janegorrett Onyait, Ms Nyongesa Loise, Mr. Bundi Nicholas Gituma, Mr. Paul Waindi Ayoo. Other members of the Board include the Regional County Director TVET and the Principal who is the Secretary to the Board. The Board was inaugurated on 5th February 2019. The board has been operating with eight members because the representative of the Governor has not yet been presented for appointment.

MANAGEMENT DISCUSSION AND ANALYSIS

A. Operational and Financial Performance

Okame Technical and Vocational College received total revenues amounting to **Ksh. 8,078,315.00**, Ksh **3,971,520.00** being collection from trainees/Sponsors/Parents as college fees and Ksh **4,106,795.00** From Bumble TTI and Ministry of education as Government grants and capitation. Resources expended amounted to Ksh. **4,758,680.00** this relates to 13% of the budget for the fiscal year 2018/2019.



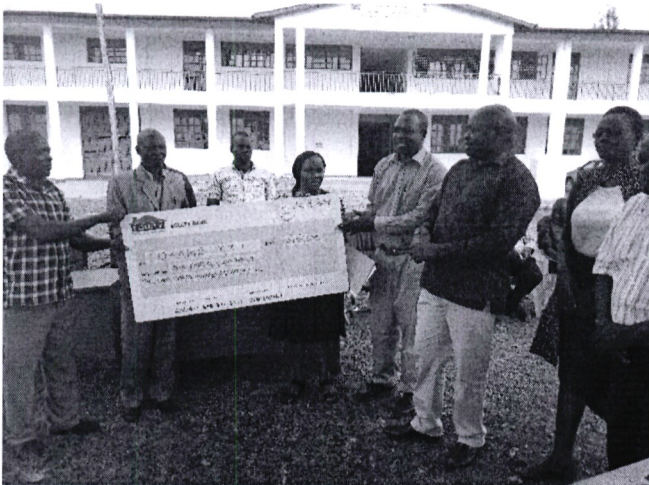
B. Statutory Compliance.

Okame Technical and Vocational College did not comply with all the statutory requirements during the year. The College is in process to acquire registration with statutory bodies including: NSSF, NHIF and KRA for PAYE deductions.

C. Key projects or investments decision implemented

During the year Okame TVC did not implement any project, as a new institution in the region the management is keen on partnering with Development partners, state organ and well-wishers in the region to improve the current available infrastructure for the College to achieve its mission and vision objective. With this regard the Teso South NG-CDF offered two key projects to meet the basic need for the College. These are:

1. Six door Pit Latrine with a net value of Ksh.612,320 – Project completed.
2. Purchase of a 33-Seater Bus worth Ksh. 5,300,000 - Project still in progress.



The Teso South MP presenting a dummy cheque to Project Implementation Committee for construction of Six-Door Pit latrine.

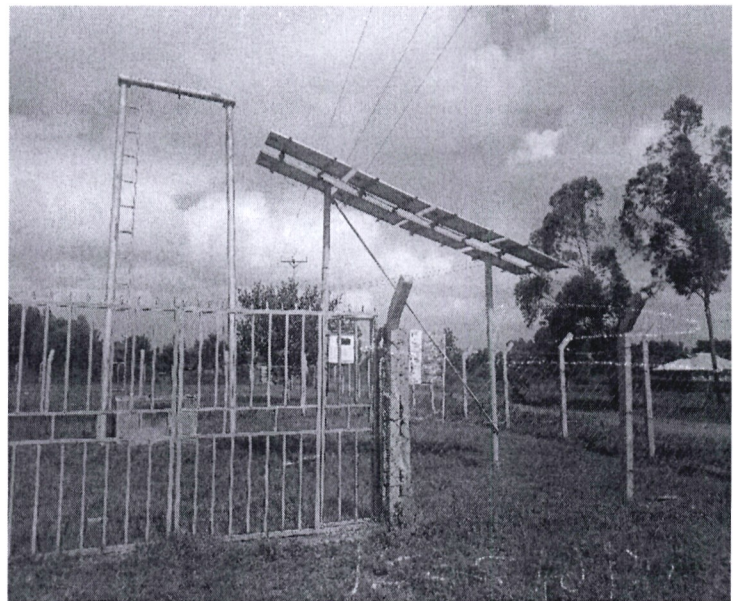


Photo: Completed structure of the Six-door Pit latrine

For there was great concern for the College to have clean water for day to day usage, the National Government through the Lake Victoria North Water Services Board implemented the Solar Powered water supply project aimed at meeting the need on water shortage in the College and surrounding area. The project to be handed over soon.



Photo: 3X3 M³ Water tank for water supply



Section of the Solar panels used for pumping water The main water tank.

**OKAME TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019**

REPORT OF THE COUNCIL/BOARD OF GOVERNORS

The Board of Governors submit their report for the year ended June 30, 2019 which show the state of the Okame Technical and Vocational College.

Principal activities

The principal activities of the entity are -: Training and developing middle level manpower for national development, advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the national production system, offering courses leading to the award of up to diploma certificates in TVET programmes in collaboration with other tertiary institutions and appropriate industries across the board.

Results

The results of the entity for the year ended June 30, 2019 are set out on page 1-5

COUNCIL/BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page Iv-Vi. During the year 2018/2019 Okame Technical and Vocational College got its first Board of Governors with effect from February 2019.

Auditors

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

By Order of the Board



Mr. Samson Wekesa Ndeke

BOG Secretary

Nairobi

Date: 15/6/2021

STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS' RESPONSIBILITIES

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

The Board members are responsible for the preparation and presentation of financial statements, which give a true and fair view of the state of affairs of Okame Technical and Vocational for and as at the end of the financial year ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the College (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Okame Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013. The Board members are of the opinion that the Okame Technical and Vocational College's financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2019, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Okame Technical and Vocational College, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Okame Technical and Vocational College financial statements were approved by the Board on 16th September 2019 and signed on its behalf by:

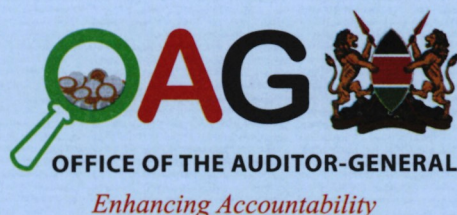
BOG Chairman

BOG Member

Principal/ Secretary BOG

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON OKAME TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Okame Technical and Vocational College set out on pages 1 to 25, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Okame Technical and Vocational College as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Technical and Vocational Education and Training (TVET) Act, 2013.

Basis for Adverse Opinion

1. Unsupported Rendering of Services - Fees from Students

As disclosed in Note 7 to the financial statements, the statement of financial performance reflects rendering of services- fees from students figure of Kshs.3,971,520 for the year under review. However, individual students' ledger accounts and copies of official receipts issued to students were not provided for audit. In addition, the schedule provided for audit supported a figure of Kshs.2,131,060, resulting to unsupported balance of Kshs.1,840,460.

Consequently, the accuracy of the rendering of services – fees from students figure of Kshs.3,971,520 for the year ended 30 June, 2019 could not be confirmed.

2. Misclassification of Remuneration of Directors Expenses

The statement of financial performance reflects remuneration of the directors balance of Kshs.1,158,392 for the year under review as disclosed under Note 9 to the financial statements. However, documents provided for audit revealed a balance of Kshs.1,457,392 on remuneration of the directors resulting to an understatement by

Kshs.299,000. A further review of documents revealed that the Kshs.299,000 was included and misclassified as administration costs balance of Kshs.1,128,890 as disclosed in Note 12 to the financial statements resulting to an overstatement of the administration costs by Kshs.299,000.

Consequently, the accuracy of the Kshs.1,158,392 and Kshs.1,128,890 in respect to remuneration of the directors and administration costs respectively for the year ended 30 June, 2019 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.1,677,396 as at 30 June, 2019 comprising the bank balance of Kshs.1,656,098 maintained on three bank accounts at a Busia Branch and cash at hand of Kshs.21,298 as disclosed in Note 13 to the financial statements. However, only one cashbook was maintained for all the three bank accounts thus it was not possible to prepare bank reconciliations for each of the bank accounts. In addition, the Kshs.1,656,098 as reflected in the financial statements was the closing balance as per certificates of bank balance as at 30 June, 2019 and not as per the reconciled cashbook balances. Further, the cash and cash equivalents balance included cash on hand balance of Kshs.21,298 as at 30 June, 2019 which was however not supported by board of survey report.

Consequently, the cash and cash equivalents balance of Kshs.1,677,396 as at 30 June, 2019 could not be confirmed.

4. Unsupported Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.1,753,315 being student debtors as disclosed in Note 14 to the financial statements. However, debtors ledger, debtors' register and aging analysis were not provided for audit. In addition, credit policy in respect of student fees repayment /recovery was not provided for audit contrary to Section 14(1) of the state corporations Act Cap 446 which states that every state corporation shall keep or cause to be kept proper books to record among others, undertakings of the state corporation.

Consequently, the accuracy and validity of the receivables from exchange transactions balance of Kshs.1,753,315 as at 30 June, 2019 could not be confirmed. In addition, the Institute's Management breached the law.

5. Non-Disclosure of Non-Current Assets

The statement of financial position reflects property, plant and equipment balance of Kshs.380,625 as at 30 June, 2019 in respect of furniture as disclosed in Note 15 to the financial assets. However, the Kshs.380,625 excludes the value of land, buildings, motor vehicle, furniture, computers, fence and a borehole that were in possession of the college as at the time of audit in February 2021, contrary to Regulation 139(1)(b) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer of a National Government entity shall take full responsibility and ensure that proper control systems exist for assets and that movement and conditions of assets can be tracked.

Further, documents provided for audit revealed that the College received various high value workshop tools through its mentor Institution (Bumbe Technical Training Institute) from the Ministry of Education whose values are not disclosed in the financial statements contrary to Regulation 71(1) and (5) of Public Finance Management (National Government), Regulations, 2015 which states that upon approval by the cabinet secretary an Accounting Officer may, receive any grants donations, sponsorship made in favour of the government entity irrespective whether such sponsorship or grants or donations is in kind or in cash provided that the accounting officer confirms with the relevant national government entity that the donations are in good and serviceable condition and the grants, donations or sponsorships received during the year shall be disclosed in the annual and quarterly financial statements.

Consequently, the accuracy and completeness of the property, plant and equipment balance of Kshs.380,625 as at 30 June, 2019 could not be confirmed.

6. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.334,326 as at 30 June, 2019 which relates to trade payables as disclosed in Note 16 to the financial statements. However, detailed records for transactions relating to movement of the payables including the ledger accounts to record invoices, suppliers demand notes, in respect of services rendered and/or work done were not provided for audit.

Consequently, the accuracy of the trade and other payables balance of Kshs.334,326 as at 30 June, 2019 could not be confirmed.

7. Statement of the Cash Flows

As disclosed in Note 15 to the financial statements, the statement of cash flows for the year under review reflects purchase of property, plant and equipment figure of Kshs.380,625 which is net of depreciation instead of Kshs.420,000 which is the cost of the assets resulting to an unexplained variance of Kshs.39,375.

Consequently, the accuracy of the Kshs.380,625 in the statement of cash flows for the year ended 30 June, 2019 could not be confirmed.

8. Trial Balance

According to Appendix 1(1)(i) of the Treasury Circular No.6/2019 of 15 May, 2019, the financial statements should be prepared using the trial balance figures. However, it was noted that though the statement of financial position was balancing, the trial balance provided for audit had a variance of Kshs.3,319,635 which was not explained.

Consequently, the accuracy of the balances reported in the financial statements for the year under review could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Okame Technical and Vocational College in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical

requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Adverse opinion.

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. There were no key audit matters to report in the year under review.

Other Matter

Budget Performance Analysis

According to the statement of comparison of budget and actual amounts for the year ended 30 June, 2019, the college had an approved revenue budget of Kshs.36,597,998 out of which only Kshs.8,078,315 or 22% was received resulting in a shortfall of Kshs.28,519,683 or 78% of the budgeted receipts. During the same period, the College recorded actual expenses amounting to Kshs.4,719,305 against the budgeted expenditure of Kshs.36,597,998 resulting to budget under-absorption of Kshs.31,878,693 or 87% of the budgeted expenditure.

Non-implementation of the budget as planned may lead to poor delivery of services to students and other stakeholders.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Confirmation of Assets and Liabilities Between Bumbe Technical Training Institute and Okame Technical and Vocational College

Bumbe Technical Training Institute acted as a mentor institution for Okame Technical and Vocational College. The government through the Ministry of Education channelled funds to Bumbe Technical Training Institute for putting up of the administration office and classrooms block at Okame Technical and Vocational College in addition to providing equipment and furniture. However, as at the time of audit in April, 2021, there was no documentary evidence of handing over and taking over between the two institutions contrary to Regulation 141(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which states that when assets or liabilities of a government entity are transferred to another government entity or other institution in

terms of reorganization of government functions the accounting officer for the transferring government entity shall be required to identify an inventory of such assets and liabilities and both the Accounting officer for the transferring National Government entity and the Accounting Officer for the receiving national government entity or other institution shall sign the inventory when the transfer takes place.

Consequently, the Management of the two institutions breached the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Internal Controls

During the year under review, the College operated without a Code of Conduct for employees, a human resource manual, risk management policy, disaster recovery plan or business continuity plan, a debt management policy, internal audit department and audit committee.

Consequently, the effectiveness of the College's internal controls, risk management and governance for the year under review could not be ascertained.

2. Lack of Board Charter

During the year under review, the Board operated without a charter contrary to Mwongozo regulations on code of governance for state corporations which requires that the Board of Directors should develop and adopt a Board Charter that defines the roles, responsibilities and functions of the Board.

Consequently, the effectiveness of the College's management and governance for the year under review could not be ascertained.

3. Information Technology (IT) Control Environment

Documents provided for audit revealed that the College lacked a structured IT Governance including, an Information Technology strategic, steering committee, IT strategic plan, IT training program, a formal documented and approved process to manage upgrades and system changes, IT department and a documented schedule for routine maintenance for IT infrastructure. In addition, the backups were not stored in a secure offsite storage facility and no evidence of either Management or the Board having performed a formal risk assessment.

Consequently, the effectiveness of the College's IT controls and governance for the year under review could not be ascertained.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall 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 sustainability of services and using the going concern basis of accounting unless Management is aware of the intention to terminate the College or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

06 December, 2021

IV. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2018/2019	2017/2018
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government	6a	1,000,000	0
Transfers from other levels of government-Bumbe TTI	6 b	3,106,795	0
		4,106,795	0
Revenue from exchange transactions			
Rendering of services- Fees from students	7	3,971,520	0
Revenue from exchange transactions		3,971,520	0
Total revenue		8,078,315	0
Expenses			
Employee costs	8	1,738,700	0
Remuneration of directors	9	1,158,392	0
Depreciation and amortization expense	10	39,375	0
Repairs and maintenance	11	190,764	0
General expenses	12	1,631,449	0
Total expenses		4,758,680	0
Net Surplus for the year		3,319,635	0

The notes set out on pages 6 to 25 form an integral part of the Annual Financial Statements.

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

V. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	2018/2019 Kshs	2017/2018 Kshs
Assets			
Current assets			
Cash and cash equivalents	13	1,677,396	0
Receivables from exchange transactions	14	1,753,315	0
		3,430,711	0
Non-current assets			
Property, plant and equipment	15	380,625	0
		380,625	0
Total assets		3,811,336	0
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	16	334,326	0
Refundable deposits from customers	17	118,000	0
		452,326	0
Total liabilities		452,326.00	0
Accumulated surplus		3,359,010	0
Total capital and Reserves			
Total Liabilities and Capital & Reserves		3,811,336	0

The Financial Statements set out on pages 1 to 5 were signed on behalf of the College Council/ Board of Governors by:



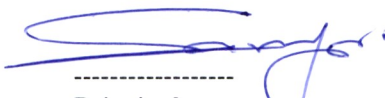
 Chairman of Council/Board of Governors

Date..... 15/06/2021



 Finance Officer

Date 15/6/21



 Principal

Date..... 15/6/2021

VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2019

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2017	0	0	0	0	0
Total comprehensive income	0	0	0	0	0
Capital/Development grants received during the year	0	0	0	0	0
Transfer of depreciation/amortisation from capital fund to retained earnings	0	0	0	0	0
At June 30, 2018	0.00	0.00	0.00	0.00	0.00
At July 1, 2018	0.00	0.00	0.00	0.00	0.00
Total comprehensive income	0	0	3,319,635	-	3,319,635
Capital/Development grants received during the year	0	0	0	0	0
Transfer of depreciation/amortisation from capital fund to retained earnings	0	0	39,375	0	39,375
At June 30, 2019	0.00	0.00	3,359,010	0.00	3,359,010

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6a, 6b	4,106,795	0
Rendering of services- Fees from students	7	3,971,520	0
Total Receipts		8,078,315	0
Payments			
Compensation of employees	8	1,738,700	0
Repairs and maintenance	11	190,764	0
Remuneration of directors	9	1,158,392	0
General and other Expenses	12	1,631,449	0
Total Payments		4,719,305	0
Net cash flows from operating activities		3,359,010	0
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-380,625	0
Increase in non-current receivables	14	-1,753,315	0
Increase in payables	16	334,326	0
		-1,799,614	0
Net cash flows used in investing activities		1,559,396	0
Cash flows from financing activities			
Increase in deposits		118,000	0
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		1,677,396	0
Cash and cash equivalents at 1 JULY 2018		0	0
Cash and cash equivalents at 30 JUNE 2019	13	1,677,396	0

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019
VIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Explanation Of variances
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019	
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from other Govt entities Govt grants	24,759,998.00		24,759,998.00	4,106,795.0	(20,653,203)	A
Public contributions and donations	6,000,000.0		6,000,000.0		(6,000,000.0)	B
Rendering of services- Fees from students	5,838,000.0		5,838,000.0	3,971,520.00	(1,866,480)	C
Total income	36,597,998.0	-	36,597,998.0	8,078,315.00	(28,519,683.0)	
Expenses						
Compensation of employees	3,659,448.0		3,659,448.0	1,738,700.0	(1,920,748.0)	D
Administration expenses	6,220,000.0		6,220,000.0	1,128,890.0	(5,091,110.0)	E
Remuneration of directors	2,600,000.0		2,600,000.0	1,158,392.0	(1,441,608.0)	F
General expenses	16,048,550.0		16,048,550.0	732,698.0	(15,545,991.0)	G
Development Projects	8,070,000.0		8,070,000.0	0.0	(8,070,000.0)	H
Total expenditure	36,597,998.0	-	36,597,998.0	4,758,680.0	(31,878,693.0)	
Surplus for the period	0.00	-	0.00	3,319,635.0		

Budget notes

- A) Delayed / no grants and capitations transferred by Government
- B) Teso South NG-C.D.F performed on behalf of the College and funds were accounted by another entity
- C) Poor fees payment by students opting for bursary which is prone to delay and poor family backgrounds of most of student/ Low enrolment during the year.
- D) Understaffing and no well- placed remuneration policy- Staff under contracts.
- E) Non-compliance to all administrative duties/ less administrative officers deployed.
- F) B.O.G appointed in middle of the financial year.
- G) Lack of funds led to minimal expenditure/ operations.
- H) Projects were undertaken with control of Teso South NG-CDF.

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

IX. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Okame Technical and Vocational College entity is established by and derives its authority and accountability from TVET Act 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to train trainees from artisan, craft and diploma levels as per the TVET Act and examined Kenya National Examination Council, TVET-CDACC, KASNEB and NITA

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. The entity has no plans for combination

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p>NOT ADOPTED</p>

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2019.

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4. (a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

(b) Budget information

The original budget for FY 2018/2019 was approved by the Board on 30th July 2018.

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

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

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

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

(c) Taxes

Current income tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised directly in net assets is recognized in net asset and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Sales tax/ Value Added Tax

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

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

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

(d) Investment property

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

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

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

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

(e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

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) 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

(g) 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.

(h) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

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

Held-to-maturity

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

Impairment of financial assets

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

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

i) Inventories

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

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

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

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

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

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

(j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

The College does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

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.

(k) Changes in accounting policies and estimates

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

(l) Employee benefits

Retirement benefit plans

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

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

(m) 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.

(n) 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.

(o) Related parties

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

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

(p) Cash and cash equivalents

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

(q) Comparative figures

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

(r) 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, 2019.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. 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 college.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

Provisions were not raised and management is making arrangements in determining an estimate based on the information available. Provisions will be 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.

6. a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2018-2019	2017-2018
	KShs	KShs
Unconditional grants		
Operational grant	1,000,000	0
Other grants	0	0
TOTAL	1,000,000	0

6 b) TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2018-2019	2017-2018
	KShs	KShs
Transfer from Bumbe TTI	3,106,795	0.00
Total Transfers	3,106,795	0.00

7. RENDERING OF SERVICES

Description	2018-2019	2017-2018
	KShs	KShs
Tuition	130,776	0
Personal Emoluments	1,652,280	0
Electricity, Water & Conservancy	445,036	0
Repairs, Maintenance & Improvement	223,952	0
Transport (LT&T)	363,260	0
Medical	52,442	0
Activity	361,929	0
Caution Money	217,565	0
Insurance	67,877	0
Student ID	65,121	0
Student Council	900	0
Admission Fee	87,145	0
Prepayment	182,474	0
Attachment	105,263	0
Computer Packages	15,500	0
Total revenue from the rendering of services	3,971,520	0

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

8. EMPLOYEE COSTS

Salaries and wages	1,738,700	0
Employee costs	1,738,700	0

9. REMUNERATION OF DIRECTORS

Directors emoluments	1,158,392	0
Other allowances	0	0
Total director emoluments	1,158,392	0

10. DEPRECIATION AND AMORTIZATION EXPENSE

Property, plant and equipment	39,375	0
Total depreciation and amortization	39,375	0

11. REPAIRS AND MAINTENANCE

Property	190,764	0
Total repairs and maintenance	190,764	0

12. GENERAL EXPENSES

Tuition	105,218	0
Electricity, Water & Conservancy	10,800	0
Transport (LT&T)	31,950	0
Activity	3,400	0
Administration Costs	1,128,890	0
Advertisement & Publicity	10,725	0
Sewerage and Sanitation	15,466	0
Refunds	23,000	0
Equipment	302,000	0

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

Total general expenses	1,631,449	0
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13. (a) CASH AND CASH EQUIVALENTS

Description	2018-2019	2017-2018
	KShs	KShs
Current account	1,656,098	0
Cash at Hand	21,298	0
Total cash and cash equivalents	1,677,396	0

13 (b). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2018-2019	2017-2018
		KShs	KShs
a) Current account			
Kenya Commercial bank	1159427666	619,090	0
Kenya Commercial bank	1252776799	29,965	0
Kenya Commercial bank	1252776632	1,007,043	0
cash in hand		21,298	0
			0
Grand total		1,677,396	0

14. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Current receivables		
Student debtors	1,753,315	0.00
Total current receivables	1,753,315	0.00

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019
15. PROPERTY, PLANT AND EQUIPMENT

Cost	Land and Buildings		Motor vehicles		Furniture and fittings		Computers		Other Assets (Specify)		Plant and equipment		Capital Work in progress		Total	
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 30th June 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	420,000	0	0	0	0	0	0	0	0	0	0	420,000
Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer/adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 30th June 2019	0	0	0	0	420,000	0	0	0	0	0	0	0	0	0	0	420,000
Depreciation and impairment																
At 1 July 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 30th June 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	39,375	0	0	0	0	0	0	0	0	0	0	(39,375)
Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 30th June 2018	0	0	0	0	39,375	0	0	0	0	0	0	0	0	0	0	(39,375)
Net book values																
At 30th June 2019	0	0	0	0	380,625	0	0	0	0	0	0	0	0	0	0	380,625
At 30th June 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Trade payables	334,326	0
Total trade and other payables	334,326	0

17. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2018-2019	2017-2018
	KShs	KShs
Caution money	118,000	0
Total deposits	118,000	0

18. FINANCIAL RISK MANAGEMENT

The College's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The college'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 college's financial risk management objectives and policies are detailed below:

(i) Credit risk

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

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

**OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR
THE YEAR ENDED 30 JUNE 2019**

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2018				
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 2019				
Receivables from exchange transactions	1,753,315	1,753,315	0	0
Receivables from non exchange transactions	0	0	0	0
Total	1,753,315	1,753,315	0	0

19. FINANCIAL RISK MANAGEMENT

(i) Credit risk (continued)

The trainees under the fully performing category are paying their debts as they continue learning. The credit risk associated with these receivables is minimal and the college is in process for creating an allowance for uncollectible amounts that the college recognises in the financial statements and consider adequate to cover any potentially irrecoverable amounts.

The college has significant concentration of credit risk on amounts due from **1,753,315.00**

The board of governors will set the college's credit policies and objectives and lay 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 college's BOG, who are in process to build an appropriate liquidity risk management framework for the management of the college's short, medium and long-term funding and liquidity management requirements. The college will manage liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the college 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.

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2018				
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 2019				
Trade payables	113,700	64,396	156,230	334,326
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	113,700	64,396	156,230	334,326

iii) Capital Risk Management

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

	2018-2019	2017-2018
	Kshs	Kshs
Revaluation reserve	0	0
Retained earnings	3,319,635	0
		0
Total funds	3,319,635	0
Less: cash and bank balances	(1,677,396)	0
Net debt/(excess cash and cash equivalents)	1,642,239	0
Gearing	49.5%	0

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Teso South NG-CDF
- iv) Board of Governors
- v) Key management;
- vi) HELB
- vii) BUMBE TTI

	2018-2019	2017-2018
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Govt/Bumbe TTI	4,106,795	0
Total	4,106,795	0
b) Expenses incurred on behalf of related party		0
Payments of salaries and wages for Okame TVC employees	1,738,700	0
Total	1,738,700	0
c) Key management compensation		0
Directors' emoluments	1,158,392	0
Compensation to key management		0
Total	1,158,392	0

**OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR
THE YEAR ENDED 30 JUNE 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. EVENTS AFTER THE REPORTING PERIOD

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

22. ULTIMATE AND HOLDING ENTITY

The college is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education, Science and Technology Its ultimate parent is the Government of Kenya.

23. Currency

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

OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

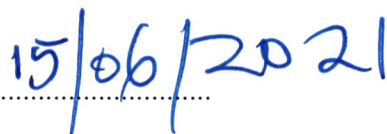
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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



Chairperson of the Board of Okame Technical and Vocational College

Date.....

**OKAME TECHNICAL AND VOCATIONAL COLLEGE FINANCIAL STATEMENT FOR
THE YEAR ENDED 30 JUNE 2019**

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		OKAME TECHNICAL AND VOCATIONAL COLLEGE		
Break down of Transfers from the State Department of Vocational and Technical Training and Bumbe Technical Training Institute.				
FY 2018/2019				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	BUMBE TTI	28/02/2019	500,000	FY2018/2019
	M.O.E	27/06/2019	1,000,000	FY2018/2019
		Total	1,500,000	
c.	Capitations			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	BUMBE TTI	28/02/2019	1,140,000	FY2018/2019
		Total	1,140,000	
d.	Cash Imprest			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	BUMBE TTI	30/07/2018	292,260	FY2018/2019
	BUMBE TTI	30/08/2018	312,680	FY2018/2019
	BUMBE TTI	30/10/2018	615,105	FY2018/2019
	BUMBE TTI	30/01/2019	194,750	FY2018/2019
	BUMBE TTI		52,000	FY2018/2019
		Total	1,466,795	

Finance Manager
Okame Technical and Vocational College
Sign 