

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

PARLIAMENT
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THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 25 JUN 2025	DAY. ON WEDNESDAY
TABLED BY:	MAJORITY LEADER
CLERK-AT THE-TABLE:	FINLAY

**MANYATTA TECHNICAL AND
VOCATIONAL COLLEGE**

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



MANYATTA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

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1. KEY INSTITUTE INFORMATION AND MANAGEMENT

(a) Background information

Manyatta Technical and Vocational College was established under the TVET Act of 2013. The College is domiciled in Kenya and is under the Ministry of Education, State Department for TVET.

Manyatta TVC was established in 2020 as a Technical and Vocational College on a 5 acre piece of land donated by the local community. This was made possible through the efforts of Hon. John Muchiri, the Area MP then.

The College derives its mandate from the TVET Act of 2013. The management of the College is under a Board of Governors appointed by the Cabinet Secretary, Ministry of Education.

The Principal is the Secretary to the Board of Governors and the Chief Executive Officer of MTVC. He is in charge of the day-to-day running of the College and is assisted by two Deputy Principals, Registrar, Dean of Students and Heads of Departments.

MTVC offers training in Competence Based Education (CBET) in all courses and course levels. The courses are offered in six academic departments namely Mechanical and Automotive Engineering, Building and Civil Engineering, Electrical and Electronics Engineering, Hospitality and Tourism Management, Fashion Design and Cosmetology and Computing and Informatics. Other support departments include Examinations office, Guidance & Counselling, Industrial Liaison, and Sports, Research and Quality Assurance.

(b) Principal Activities

The principal activity/mission/ mandate of the College is to train technical courses.

Vision

To be a Centre of excellence in Education and Training for Sustainable Development.

Mission

To provide education and training which is responsive to the needs of the industry for sustainable development

(c) Key Management

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

- Board members
- Accounting officer/ Principal
- Deputy Principal Administration and Academic
- Heads of Departments both Academic and Non-academic

(d) Fiduciary Management

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

SN.	Designation	Name
1)	Chief Principal	David Njagi Nthuci
2)	Deputy Principal	Symon Peter Muchira Njoka
3)	Registrar	Nelson Muthomi Nyaga
4)	Dean of Students	Ronald Kipng'etich Lagat
5)	Accounts officer	Bancy M. Nyaga

(e) Fiduciary Oversight Arrangements

Board Committees

To assist the Board in the discharge of its responsibilities, Board committees have been established. All the Board committees meet at least two times a year. The committees are as follows: -

i. Finance, Governance and Development committee

Responsibilities:

- a. To receive, consider and submit the proposed budget estimates from the various college departments for approval by the Board;
- b. To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board
- c. To report to the Board all matters related to finance and development;
- d. To ensure that accurate records are kept on the establishments in the College;
- e. To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the College;
- f. To report to the Board on the progress of physical infrastructure development of the College;
- g. To prepare College Development plans for an approved period and submit to the Board; and
- h. To exercise such other powers as the Board may from time-to-time delegate to the Committee.

ii. Audit, Risk and Compliance Committee

Responsibilities:

- a. To evaluate adequacy of management procedure with regard to issues relating to risk management, control and governance;

- b. To review external audit findings and recommendations and propose corrective and preventive actions where necessary;
- c. To review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics;
- d. To initiate special audits and or investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer; and
- e. To exercise such other powers as the Board may from time-to-time delegate to the Committee

3. Education, Training and Research committee

Responsibilities:

Human resource

- a. Continually examine the College's structure, core functions, staff establishment and if necessary, make proposals for harmonization and rationalization in order to eliminate possible wastage arising from redundancy, overlaps and duplications;
- b. Examine policy and procedures on employment
- c. Examine the procedures for assessment of needs for employment, staff development and procedures, staff training for operational efficiency and capacity enhancement for further development and consultancy services;
- d. Examine and review the terms and conditions of service;
- e. Examine the adequacy of the performance and reward system;
- f. Examine and review the staff welfare policy
- g. Establish & review the human resource policy, college scheme of service and career progression structure make recommendations for broad guidelines; and
- h. Propose innovative ideas for transformation of the college into a world-class college of higher learning and employer

Academic

- a) Formulation and Review of the Academic Policy
- b) Quality Assurance & standards evaluations
- c) Development and Implementation of New Programmes
- d) Determination of Resources:
 - i. Human Resource
 - ii. Teaching/Learning Materials
- e) Curriculum Evaluation
- f) Establish Linkage between the College and Industry
- g) Ensure Relevance of Courses to Market Needs
- h) In Charge of Graduations and Academic Awards

(f) Institute headquarters

P.O. Box 2824-60100
15kms from Embu town- 1 km Off Embu-Meru Highway
Kenya

(g) Institute contacts

Telephone: (254) 740572437
E-mail: manyattatvc@gmail.com
Website: www.manyattatvc.ac.ke

(h) Institute bankers

Equity Bank of Kenya Limited
Embu Branch
Along Embu-Meru Highway
P.O Box 1994
60100
Embu, Kenya

(i) Independent Auditors




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

(j) Principal Legal Adviser





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

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II. THE BOARD OF GOVERNORS

No	Name	Date Of Birth	Key Qualifications	Work Experience	Membership	Committee
1.	Prof. Madrine King'endo 	1970	Holder of PhD in Special Education Master's degree in Educational Psychology	Lecturer University of Embu	Board Chairperson	
2.	Rev. Jackson P. Ngari 	10/09/1968	PhD-Biblical Studies	ACK Diocese of Embu Education Secretary	Board Member	Education, Training & Research
3.	Caroline W. Nyaga 	27/09/1990	Bachelor of commerce (BCOM) Finance option	Spread Capital Ltd Head of Business Development	Board Member	Chairperson Finance, Governance & Compliance
4.	Florence N. Musyoka	1964	Bachelor of Engineering Civil Environment Engineering and Resource Management	CEC Embu County Government Water, Irrigation, Environment, Climate Change and Natural	Board Member	Finance, Governance & Development.



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No	Name	Date Of Birth	Key Qualifications	Work Experience Resources	Membership	Committee
						
5.	George Njeru 	1968	Master of Science in Industrial Engineering and Management	Meru University of Science and Technology	Board Member	Chairman Audit, Risk & Compliance.
6	Julius O. Odumbe 		MBA BSc Eng.	General Manager Operations Power Plant Management KENGEN	Board Member	- Finance, Governance & Development. - Education, Training & Research
7	Nelly C. Kiplangat 	6/10/1990	MSc. Geospatial Information Systems and Remote Sensing	Tutorial Fellow in GIS technologies, water and environmental Engineering - Technical University of Kenya	Board Member	Education, Training & Research




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No	Name	Date Of Birth	Key Qualifications	Work Experience	Membership	Committee
8	Peter Kaume 	1972	Master's Degree	Regional TVET Director Upper Eastern	PS Representative	
9	David Njagi Nthuci 	03/08/1965	Bachelor of Science in Mechanical Engineering	Principal Manyatta Technical and Vocational College	Board Secretary	Principal

III. MANAGEMENT TEAM

SN.	Member/ Director	Details
1)	<p>Mr. David Njagi Nthuci</p> 	<p>He is the Principal, Secretary to the Board and the accounting officer</p>
2)	<p>Mr. Symon Peter Muchira Njoka</p> 	<p>He is the Deputy Principal</p>

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SN.	Member/ Director	Details
3)	 Mr. Nelson Muthomi Nyaga	Registrar
4)	 Ronald Kipng'etich Lagat	Dean of students
5)	 Bancy Muthoni Nyaga	Accounts

IV. CHAIRPERSON'S STATEMENT

I feel honoured and duty – bound to present an over view of the Manyatta Technical and Vocational College (MTVC) performance for the year ended 30th June, 2022. The Board played its rightful role in the College governance and remained steadfast and united in support of efforts by MTVC management in transforming the College into a regional and global centre of academic and research excellence.

It is imperative to note that the College was established in the year 2020 and the Board of governors appointed on 17th March, 2022.

The College Board is focused to position the MTVC as cradle of knowledge in providing quality education, teaching, research and innovation community outreach that meet the needs of a dynamic society. The College has been keen on addressing national aspirations by conforming to national policies as envisioned in the President's Bottom Up Economic Transformation Agenda (BETA).

In effort to promote excellence in all its operations, the MTVC management has a proactive team of heads of departments who are the central enabler for quality service delivery. The College has organized activities to emphasize the benefits from team work and the need to leverage on the shared goals for the achievement of the institutional vision. The MTVC top management under the guidance of the Board will endeavour to develop and sustain a shared vision for the benefit of the institution and all its current and potential stakeholders.

The College has endeavoured to achieve quality teaching and learning by developing quality academic delivery model in the light of the dynamic and changing trends in higher education nationally and globally. It has identified clear pathways in training and research by introduction of additional training programme that support economic transformation of the immediate

community and the nation at large by equipping its trainees with knowledge, skills and attitudes for the dynamic labour market. Expanding of the academic programme will contribute significantly towards creating a broad knowledge – based economy to meet the human resource requirements for the rapidly changing and diversified local and global economy

MTVC has actively participated in community service social – distanced activities which include the promotion of peer counselling activities and organising health talks geared towards health living.

I wish to finally thank the government of Kenya, Board members, management, staff, trainees and other stake holders for their continued support over the year in striving to make MTVC a Centre of excellence for vocational and Technical Training.

Dr. Madrine King'endo

Chairperson to the Board

Manyatta Technical and Vocational College

V. REPORT OF THE PRINCIPAL

It's with great pleasure that I present the annual report and financial statements for Manyatta Technical and Vocational College (MTVC) performance for the year ended 30th June, 2022. This year has been a year with new challenges but also many other opportunities to improve and move forward. The staff and the management has risen to the challenges with great deal of resilience and determination. The College took great stride towards implementation of the CBET curriculum by engaging in continuous training of our trainers in collaboration with CDACC and in addition, mounting structures for the CBET training.

The year also saw the College implement a massive programme of improving our infrastructures including

- a) Modern furniture for the trainers
- b) Expanding internet and ICT infrastructures

Despite these successes, we have faced some challenges in acquiring tools and equipment since to date the government has not supplied the earmarked equipment. The College also has been engaging in marketing campaigns to increase enrolment.

We acknowledge that we require a lot of investment in both financial and human capacities which continue to stretch the scarce financial resources at our disposal.

These challenges are also compounded by the heavy financial burden incurred by the College as remuneration for trainers hired under governing Board terms as the PSC has not been able to provide adequate human resource to enable the College deliver her mandate

We would like in a special way to thank the government of Kenya for the renewed commitment to TVET and recognizing technical training as a mode for achieving the vision 2030. The funding of trainees through capitation and provision of loans and bursaries by HELB.

MTVC remain committed to quality training and declare our resolve to continue addressing the opportunities and challenges that come our way, more so in playing our role in the realization of President's Bottom Up Economic Transformation Agenda (BETA).

We also greatly appreciate the Board of Governors, staff, trainees and all stake holders who have contributed greatly in their own way to make the College a Centre of excellence for vocational and Technical Training.

Mr. David Njagi Nthuci

Principal
Secretary to the Board
Manyatta Technical and Vocational College

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

Manyatta Technical and Vocational College has 4 strategic pillars and objectives within its Strategic Plan for the FY 2021/2022- 2023/2024. These strategic pillars are as follows:

1. To provide adequate tools and equipment for quality training
2. To produce quality and globally competitive holistic graduates
3. To boost student enrolment and retention
4. To improve and enhance trainee welfare

Manyatta Technical and Vocational College develops its annual work plans based on the above 4 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The board achieved its performance targets set for the FY 2020/2021 period for its 7 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Adequate tools and equipment	Purchase tools and equipment for four departments	Budget approval by the Board	Departmental requisition	Ongoing
Quality and Globally Competitive Graduates	Introduce market driven courses	Market driven courses started	Nine courses started	Achieved.
Student enrolment and retention	To increase the student population to a minimum of 250 trainees	Customer satisfaction and retention	Marketing of institution to the neighbouring counties	Number of students increased from 53 to 138
Trainee Welfare	Start and strengthen Guidance &	Guidance & Counselling	Operationalize Guidance &	Achieved

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	Counselling department	Coordinator appointed	counselling department	
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The strategic pillars as highlighted above are a true reflection of how the Board of Management would like to see the institution in 5 years of the strategic plan.

VII. CORPORATE GOVERNANCE STATEMENT

Manyatta Technical and Vocational College is governed by the Board that consist of 9 members appointed by the Cabinet Secretary, Ministry of Education as follows

- a) Chairperson and six other members appointed through an open process
- b) One member representing Principal Secretary on matters relating to education
- c) The principal who is an ex- official member of the Board.

The appointment of the Chairperson and other members of the Board is done by the Cabinet Secretary, Ministry of Education through a gazette notice to serve for period of three (3) years renewable once. The Board members who served during the year under review were appointed vide a gazette notice _____ of _____. For the purpose of succession planning the Cabinet Secretary shall stagger

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

1. Operational and Financial Performance.

Did not have a Board Governors and hence was using the Generic Budget from the State Department for TVET; The College enrolled 53 trainees in September 2021.

2. Key Projects or Investments decision implemented or ongoing.

During the Financial Year the College through NG-CDF Manyatta Constituency completed the College Gate and Chain link fence, Ablution block, Water harvesting projects.

3. Major Risk.

During the Financial Year COVID 19 pandemic was the major risk since the institute calendar was affected.

4. Material Arrears in statutory and Other Financial Obligations.

The institute during financial year under audit did not have any material arrears in statutory and other financial obligations.

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

MTVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 4 pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

Sustainability strategy and profile

MTVC management has continued to put efforts on sustainability measures through creating relationships and collaborations with customers, stakeholders, and community, through quality teaching, exemplary academic performance and recruitment of competent staff. The management has also focused on marketing of MTVC programme in Embu County and the regions in order to attract more students. We utilize resources without wastage and misappropriation by ensuring maximum value for the current and future generation.

The institute engages in promoting talents amongst its students by participating in TVET regional & national competition.

Environmental performance

In order to integrate the local community in the environmental conservation and management to also serve as an example to the community and also have a demonstration effect to the rest of the surrounding community, MTVC participated in keep the city clean by cleaning Kivwe shopping Centre as a Corporate Social Responsibility service.

Employee Welfare

At Manyatta Technical and Vocational College, we value our employees who are directly or indirectly involved in training of our students and contribute to their potential to bring positive and social environmental change. We value the contribution that individuals and external entities make to our college through community consultation process.

The management of MTVC is dedicated to improving the working conditions for both staff and students. The institute provided modern comfortable furniture to the Heads of Departments and good meals to all staff

Market place practices-

- a) Responsible competition practice.

MTVC has a working and vibrant anti- corruption committee that reports to the ethics and anti- corruption commission. During the year under review, the institute sensitized its members on whistle blowing of any suspected cases of corruption. MTVC remained apolitical but maintained good relation with the county government in

MTVC adheres to the provision of PPDA and its regulations and ensure that all purchases are distributed equitably among all the groups; PWD, AGPO, Women and youths. bid to secure funding for her students through bursaries.

At the same time MTVC implemented activities under National Cohesion and values and corruption prevention in the strategic plan, during the year under review. All the measurements are geared towards improving the living standards and welfare of Kenyans.

- ii) In maintaining good business practice and treating well suppliers by honouring contracts and respecting payment practices the College during the year under review closed the year with pending bills that are within 90 days. This was made a reality by proper management of funds and making sure that funds are utilized where they are meant for.

Corporate Social Responsibility/Community Engagements-

The College carried out various corporate social responsibilities during the year under review.

- a) MTVC participated in keep the city clean by cleaning Kivwe shopping Centre as a Corporate Social Responsibility service.

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- b) The trainees welfare visited various Children's Homes to promote the act of giving to the less fortunate in the surrounding community.

X. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the Institute affairs.

Principal activities

The principal activities of the institute are to provide competent skills through technology.

Results

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

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page v-vi. During the year none of the director retired/ resigned and no new member was appointed.

Auditors

The Auditor General is responsible for the statutory audit of Manyatta Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2021.

By Order of the Board



Principal/ Secretary of the Board

1264-60100

Embu

Date... 17/5/2025'

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XI. Statement of Board of Governors/ Council's Responsibilities

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

The board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (Year) ended on June 30, 2022. This responsibility includes:

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

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

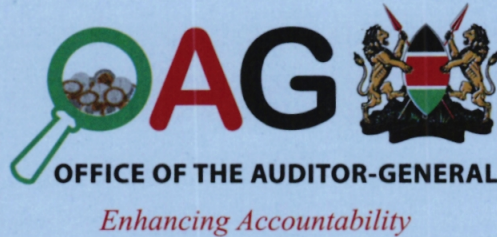
The college's financial statements were approved by the Board on _____ and signed on its behalf by:

Name.....
Signature.....
Chairperson of the Board

Name..... David Nthaci
Signature.....
Accounting Officer/Principal

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Manyatta Technical and Vocational College set out on pages 1 to 20, which comprise of the statement of financial

position as at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unexplained Variance on Remuneration of Directors

The statement of financial performance reflects remuneration of directors' amount of Kshs.698,000. However, the supporting schedules provided for audit review reflects a balance of Kshs.1,473,478 resulting to a variance of Kshs.775,478 which was not explained or reconciled.

In the circumstances, the accuracy and completeness of remuneration of directors' amount of Kshs.698,000 could not be confirmed.

2. Unconfirmed Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.64,838,511 which includes land balance of Kshs.20,000,000 as disclosed in Note 15 to the financial statements. However, land ownership documents such as title deed or allotment letter and follow up correspondences on the matter with the relevant authorities were not provided for audit review. In addition, fixed asset register and depreciation policy were not provided for audit.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.64,838,511 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amount of Kshs.2,000,000 and Kshs.5,597,750 respectively leading to over-funding of Kshs.3,597,750 or 178% of the budget. Similarly, the College spent Kshs.1,884,874 against actual receipts amount of Kshs.5,597,750 resulting into under-utilization of Kshs.3,712,876 or 66% of the actual receipts. In addition, the statement of comparison of budget and actual amounts reflects material performance variances which have not been explained in footnotes.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. The Chairperson's statement, the statement of the Board of Governors responsibilities, the statement of financial performance and the statement of financial position have not signed by the chairperson of the Board of Governors;
- ii. The ICPA(K) no. for the Finance Officer who signed the financial statements has not been indicated;

- iii. The Corporate Governance statement does not indicate the date of appointment of members of the Board of Governors;
- iv. Implementation status of Auditor-General recommendations has not been signed by the Accounting Officer.

In the circumstances, Management was in breach of the PSASB guidelines and IPSAS and lack of relevant information may affect users' reliance on the financial statements for decision making.

2. Late Submission of Financial Statements for Audit

The College's financial statements for the year ended 30 June, 2023 were submitted to the Office of the Auditor-General on 4 April, 2025, which was after the statutory date of 30 September, 2023.

This was contrary to 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Approved Information Communication Technology Policy

The College did not have an approved Information Communication Technology (ICT) policy. In absence of an approved ICT policy, the College did not have clear guidelines in respect to data security, backup plans, password and user account management and disaster recovery plans.

In the circumstances, the reliability, integrity and recoverability of the school data could not be confirmed.

2. Lack of Internal Audit Function

Review of available records revealed that the college had not established an internal audit unit as of 30 June, 2023. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which stipulates that the entity should ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. The internal audit unit would have performed various roles stipulated by regulation 160(1) of the Public Finance Management (National Governments) Regulations, 2015 including risk assessment, putting in place a risk register, and assessing the internal controls mechanism. In the circumstances, the risks may have remained unidentified hence no mitigation mechanism in place.

In the circumstances, Management of the College operated without a mechanism for assessing and mitigating financial and operational risks.

3. Lack of Risk Management Policy

A review of the college's internal controls revealed that the college did prepare and approve a risk management policy. Therefore, the College does not have a framework for the management of risk and has not documented, risks identified, assessed and risk controls measures contrary to Section 165 of the Public Finance Management (National Government) Regulations 2015 states that the accounting officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness risk management could not be confirmed.

4. Lack of Human Resource Policy

Review of the Management and Governance structure revealed that the College had not formulated a Human Resource Policy that would guide on the human resources management. The College did not also have staff establishment and scheme of service, which may lead to inefficient utilization of resources.

In the circumstances, the effectiveness of risk management in human resource management could not be confirmed.

5. Lack of Accounting and Procurement Departments

During the financial year ended June, 2022, it was revealed that the institution did not have the personnel in accounting and procurement departments to effectively authorize the expenditure. In the circumstance, the authenticity of payments made cannot be confirmed.

Lack of Accounting and Procurement departments implies lack of proper management of finances and adherence to laws.

6. Lack of Finance Policy

The statement of financial position reflects receivables from exchange transactions balance of Kshs.2,306,495 which comprises of student debtors as disclosed in Note 15 to the financial statements. However, financial management policy was not provided for audit.

In the circumstances, the College may incur losses due to uncollected fees.

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

Responsibilities of Management and the Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of 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 policies and procedures may deteriorate.

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 May, 2025

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

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

	Notes	2021-2022	2020-2021
		Shs	Shs
Revenue from non-exchange transactions			
Transfer from the national governments grants/gift in kind	6	500,000	-
Total Revenue from non-exchange transactions		500,000	-
Revenue from exchange transactions			
Rendering of services- Fees from students	7	5,097,750	-
Revenue from exchange transactions		5,097,750	-
Total revenue		5,597,750	-
Expenses			
Use of goods and services	8	1,884,874	-
Employee cost	9	1,184,132	-
Remuneration of directors	10	698,000	-
Depreciation and amortization expense	11	1,318,041	-
Total expenses		5,085,047	-
Net Surplus for the quarter		512,703	-

(The notes set out on pages 6 to 29 form an integral part of the Annual Financial Statements).

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

.....
Chairman of Board

.....
Finance Officer

.....
Principal

Date

Date 17/5/2025

Date 17/5/2025

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

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

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	12A	899,936	-
Receivables from exchange transactions	13	2,306,495	-
Total Current Assets	-	3,206,431	-
			-
Non-current assets			-
Property, plant and equipment	14	64,838,511	-
Total Non-current Assets		64,838,511	-
Total assets		68,044,942	-
Liabilities			-
Current liabilities			-
Trade and other payables from exchange transactions		0	-
Total Current Liabilities		0	-
			-
Total liabilities			-
Capital and Reserves			-
Accumulated surplus		990,664	-
capital fund		67,054,278	-
Total Capital and Reserves		68,044,942	-
Total Liabilities and Capital & Reserves		68,044,942	-

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

.....
Chairman of Board	Finance Officer	Principal
	ICPAK No	
Date	Date 17/6/2025	Date 15/6/2025

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

XV. Statement of Changes in Net Asset for the year ended 30 June 2022


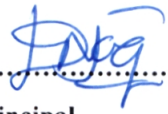
	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/	Total
				Development Grants/Fund	
At June 30, 2020					
Revaluation gain	-	-	-	-	0
Fair value adjustment on quoted investments	-	-	-	-	0
Total comprehensive income	-	-	-	-	0
Capital/Development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	0
At June 30, 2021					
Revaluation gain	-	-	477,961	67,054,278	67,054,278
Fair value adjustment on quoted investments	-	-	-	-	0
Total comprehensive income	-	-	-	-	0
Capital/Development grants received during the year	-	-	512,703	-	512,703
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	0
At 30th June 2022			990,664	67,054,278	68,044,942

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

	Note	2021-2022	2020-2021
		Shs	Shs
Cashflow from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	500,000	-
Rendering of services	7	5,097,750	-
Total Receipts		5,597,750	-
Payments			
Use of goods and services	8	1,884,874	-
Employee cost	9	1,184,132	-
Remuneration of directors	10	698,000	-
Total Payments		3,767,006	-
Net surplus		1,830,744	-
Non-cash movements			
(add) increase in payables		0	-
(less increase in the receivables		252,217	-
Net cash flow from operating activities		1,578,527	-
cash flow from investing activities			
Purchase of property, plant, equipment and intangible assets		-1,156,552	-
Net cash flows used in investing activities		-1,156,552	-
Cash flows from financing activities			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		421,975	-
Cash and cash equivalents at beginning of the year		477,961	-
Cash and cash equivalents end of the year		899,936	-

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

.....		
Chairman of Board	Finance Officer	Principal
	ICPAK No	
Date	Date 17/6/2022	Date 17/6/2022

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

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

	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	Performance difference	Utilization Difference
	a	b	c=a+b	d		e=d/c %
Revenue	Kshs	Kshs	Kshs	Kshs		Kshs
Transfers from other Govt entities Govt grants	2,000,000		2,000,000	500,000	1,500,000	25
Rendering of services- Fees from students	0	0	0	5,097,750	-5,097,750	100
Developments	0	0	0	0	0	0
Total income	2,000,000	0	2,000,000	5,597,750	-3,597,750	280
Expenses					0	
Use of Goods and services	2,000,000	0	2,000,000	1,884,874	115,126	94
Total expenditure	2,000,000	0	2,000,000	1,884,874	115,126	94
Surplus for the period	0	0	0	3,712,876		186

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

XVIII. Notes to the Financial Statements

1. GENERAL INFORMATION

Manyatta Technical and Vocational College is established by and derives its authority and accountability from TVET Act of 2013. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal mission of Manyatta Technical and Vocational College is to equip trainees with technical & vocational skills for global competitiveness through innovation and technological empowerment

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 land and property at fair value and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the college's accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act, 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 2021.

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

Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>
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ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of the college'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 the college'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 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting college provides in its financial statements about social benefits. The information provided should help users of the financial statements and</p>

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

Standard	Effective date and impact:
	general-purpose financial reports assess: (a) the nature of such social benefits provided by the college; (b) the key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the college's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

iii. Early adoption of standards

The college did not early – adopt any new or amended standards in year 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the college 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 college 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 the courses offered and the length of the academic programme.

b) Budget information

The original budget for FY 2021/2022 was approved by the Board or Board in Jul, 2020. There was no Subsequent revisions or additional appropriations made to the approved budget

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under note no 25 of these financial statements.

c) Taxes

Current income tax

The college is exempt from paying taxes as per income tax Act.

d) Investment property

College does not have any investments on properties.

e) Property, plant and equipment

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

Depreciation of assets has been provided at cost of asset regardless of when the asset was bought at the following rates

No	Classification of asset	Rate
i.	Land	Nil
ii.	Building	2.5 %
iii.	Plant, Machinery and equipment	15%
iv.	Office Equipment and computer accessories	12.5%
v.	Computer equipment	30%

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vi.	Motor vehicles- Buses & others	15%
vii.	Furniture and fittings	10%
viii.	Intangible assets	30%

f) Leases

The College does not hold any asset under lease.

g) Intangible assets

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

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

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 College.

j) Nature and purpose of reserves

The College has not maintained any reserves

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

The college does not have any Retirement benefit plans for its employees and directors

m) Related parties

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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 Principal, the Board of Governors and senior management team.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at various commercial banks at the end of the financial year.

o) Comparative figures

Comparative figures for the previous financial year have not been amended or reconfigured to conform to the required changes in presentation.

p) Subsequent events

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

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 Year. 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 Years.

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 college 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 college. 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:

- (a) The condition of the asset based on the assessment of experts employed by the college
- (b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- (c) The nature of the processes in which the asset is deployed
- (d) Availability of funding to replace the asset
- (e) Changes in the market in relation to the asset

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Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. Transfers from other National Government entities

	Period ended 30th june 2022	Comparative Period
Description	Shs	Shs
Unconditional grants		Shs
Recurrent grants	500,000	-
Total	500,000	-
Conditional grants		
Transfer from CDF	0	-
Total government grants and subsidies	500,000	-

(a) Transfers from other Government entities (Categorized)

Name of the entity sending grants	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
	KShs	KShs	KShs	KShs	KShs
state departments of technical training	500,000	-	-	500,000	-
National governments developments fund	-	-	-	-	-
Total	500,000	0	0	500,000	0

7. Rendering of Services

	Period ended 30th june 2022	Comparative Period
Description	Shs	Shs
Tuition	1,575,000	-
personal emoluments	885,000	-
electricity water and conservancy	243,750	-
Repairs maintenance and improvements	240,000	-
activity	327,750	-
development	675,000	-
local travel and transport	285,000	-
Exam	641,250	-
Caution	37,500	-
Student ID	37,500	-
administration	37,500	-
KUCCPS	112,500	-
Total revenue from rendering of services	5,097,750	-

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NB:- a) These are income from students Invoices.

8. Use Of Goods and Services

	Period ended 30th June 2022	Comparative Period
DESCRIPTION	Shs	Shs
Tuition	1,172,874	
KNEC Exam	112,545	-
NITA Exam	20,000	-
KUCCPS Registration	70,000	-
Desk top Computers	50,000	-
Others	144,815	-
Workshops and Seminars	183,000	-
Official journeys	105,600	-
LTT	24,900	-
Bank charges	1,140	
Total	1,884,874	-

9. Employee Costs

	Period ended 30th June 2022	Comparative Period
DESCRIPTION	Shs	Shs
Salaries and Wages	1,184,132	
Total	1,184,132	0

10. Board Expenses

Description	Period ended 30th June 2022	Comparative Period
	Shs	Shs
Board of governors allowances	698,000	-
Total remuneration of directors	698,000	0

11. Depreciation and Amortization expense

Description	Period ended 30th June 2022	Comparative Period
	Shs	Shs
Property, plant and equipment	1,318,041	-
Total depreciation and amortization	1,318,041	0

12. Cash and Cash Equivalents

Description	Period ended 30th June 2022	Audited prior year
	Shs	Shs
Current account	899,936	-
Equity bank	-	-
Cash at hand	-	-
Total cash and cash equivalents	899,936	-

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

		Period ended 30th June 2022	Audited prior year
Financial institution		Kshs	Kshs
a) Current account	Account number		
Equity Bank	0190280820929	899,936	-
Sub- total		899,936	-
B) Others(specify)			-
cash in hand		-	-
Sub- total		-	-
Grand total		899,936	-

13. (a) Receivables from Exchange transactions

Description	Period ended 30th June 2022	Comparative Period
Current receivables	Shs	Shs
Student debtors	2,306,495	0
Total receivables	2,306,495	-

13 (b) Ageing Analysis of Receivables from Exchange transactions

	2021-2022	2021-2022	2020- 2021	2020- 2021
Description	Kshs	% of the total	Kshs	% of the total
Less than 1 year	2,306,495	100%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	2,306,495	%	0	%

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Notes to the Financial Statements (Continued)

14. Property, Plant and Equipment

	Land	Buildings	Computers/Computer Accessories	furniture and fittings	motor vehicle	Total
		2.5%	30%	12.5%	15%	
Cost	0	0	0	0	0	-
At 30th June 2020						
Additions	-	-	-	-	-	0
Cost/capitalized	-	-	-	-	-	0
Disposals	-	-	-	-	-	0
Transfers/adjustments	-	-	-	-	-	0
At 30th June 2021	20,000,000	45,000,000				65,000,000
Additions			265,552	811,000	80,000	1,156,552
Cost/capitalized						0
Disposals						0
Transfers/adjustments						0
At 30th June 2022	20,000,000	45,000,000	265,552	811,000	80,000	66,156,552
Depreciation and Impairment						0
At 30th June 2020		0	0	0	0	0
Depreciation	0	0	0	0	0	0
Disposals	-	-	-	-	-	0
Transfers/adjustments	-	-	-	-	-	0
At 30th June 2021	0	0	0	0	0	0
Depreciation	0	1,125,000	79,666	101,375	12,000	1,318,041
Disposals						0
Transfers/adjustments						0
At 30th June , 2022	0	1,125,000	79,666	101,375	12,000	1,318,041
Net book values						0
At 30th June 2022	20,000,000	43,875,000	185,886	709,625	68,000	64,838,511
At 30th June 2021	20,000,000	45,000,000	265,552	811,000	80,000	66,156,552

15. Financial Risk Management

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

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

(i) Credit risk

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

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

44. Financial Risk Management (Continued)

(i) Credit risk (continued)

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
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 2022				
Receivables from exchange transactions	2,306,495	2,306,495		
Receivables from non-exchange transactions				
Bank balances	899,936	899,936		
Total	3,206,431	3,206,431	0	0

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

(ii) Liquidity risk management

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

Notes to the Financial Statements (Continued)

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

a) Interest rate risk

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

Management of interest rate risk

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

iv)Capital Risk Management

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

	2021-2022	2020-2021
	Kshs	Kshs
Revaluation reserve		
Retained earnings	1,546,530.40	-
Capital reserve	66,156,552.00	-
Total funds	<u>67,703,082.40</u>	=
Total borrowings		
Less: cash and bank balances	899,936.00	-
Net debt/(excess cash and cash equivalents)	899,936.00	-
Gearing	13.29%	-

16. Related Party Balances

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Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Local Community
- iv) Donors
- v) Trainees
- vi) Key management;
- vii) Board of directors;

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

	2021-2022	2020-2021
	Kshs	Kshs
a) Grants /Transfers from the Government		
Grants from National Govt		
Grants from County Government		0.00
Donations in kind		0.00
Total		
b) Expenses incurred on behalf of related party		
Payments of salaries and wages for BoG employees		
Payments for goods and services for services		
Total		
c) Key management compensation		
Directors' emoluments		
Compensation to key management		
Total		

17. Events After the Reporting Period

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

18. Ultimate And Holding Entity

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

19. Currency

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

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

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

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

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.

.....

Name
Accounting Officer
(Enter title of Head of entity)
Date

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Appendix II: Projects Implemented by (The Entity)

Projects

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

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

Status of Projects completion

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

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

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Appendix III- Inter-Entity Confirmation Letter

[Insert your Letterhead]

[Insert name of beneficiary Entity]

[Insert Address]

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received <i>[Insert name of beneficiary Entity]</i> as at 30 th June 2022							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022				Amount Received by [beneficiary Entity] (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accountants department of beneficiary Entity:

Name Sign Date

Appendix IV: Reporting of Climate Relevant Expenditures

Name of the Organization
 Telephone Number
 Email Address
 Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

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

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Appendix V: Disaster Expenditure Reporting Template

Date:						
Entity:						
Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments