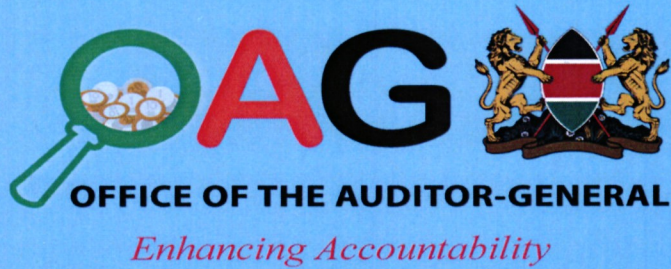


REPUBLIC OF KENYA



**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

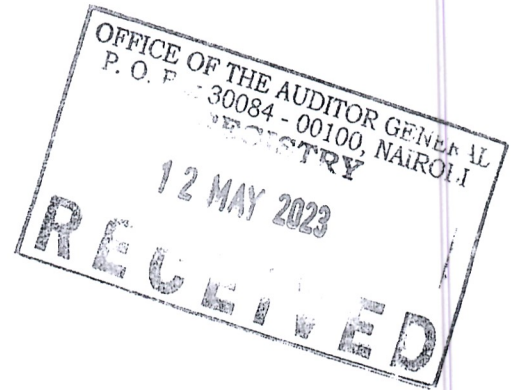
THE NATIONAL ASSEMBLY	
DATE: 25 JUL 2023	DAY: TUESDAY
TABLED BY: OF	Hon. Naomi Wago, MP Deputy majority Whip
CLERK-AT-THE-TABLE:	Anne Shitoko

**THE AUDITOR-GENERAL**

**ON**

**UGUNJA TECHNICAL AND VOCATIONAL  
COLLEGE**

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



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**UGUNJA TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE 2022**

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

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## I. KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background information

Ugunja Technical and Vocational College is a public Technical & Vocational College established under the TVET Act 2013 on 23/01/2020. The college opened its doors to the first intake of students in January 2020. It is domiciled in Kenya, under the Ministry of Education, State Department for Vocational and Technical Training. In executing its core mandate, the college is licensed to offer the following courses that are domiciled in their respective departments:

- ELECTRICAL ENGINEERING DEPARTMENT :
  - Diploma in Electrical Engineering
  - Craft Certificate in Electrical Engineering
  - Artisan in Electrical Engineering
- BUILDING AND CIVIL ENGINEERING
  - Diploma in Building Technology
  - Certificate in Building technology
  - Certificate in Plumbing Technology
  - Artisan in Plumbing
- INFORMATION COMMUNICATION TECHNOLOGY
  - Diploma in ICT
  - Craft Certificate in ICT
- MECHANICAL ENGINEERING (PRODUCTION OPTION)
  - Diploma in Mechanical Engineering
- Craft Certificate in Mechanical Engineering
- Metal work processing (Certificate)
- INSTITUTIONAL MANAGEMENT
  - Artisan in Hair dressing and beauty therapy
  - Certificate in Food and beverage
- BUSINESS DEPARTMENT
  - Diploma in Supply chain management
  - Certificate in Supply chain management
- LIERAL STUDIES
  - Diploma in Social work and community development
  - Certificate in Social work and community development

### b) Principal Activities

The principal mandate of Ugunja Technical and Vocational College is to offer Technical and Vocational Training.

VISION: A trend- setter in provision of transformative Training, Research and Innovation a transformative centre of excellence in technical and business areas of training

MISSION: To produce a transformative graduate with adaptive and innovative skills to face lifetime global challenges.

CORE VALUES: Professionalism, Team Work, Equity, Social Responsibility, Ethics and Integrity, Honesty, Transparency & Accountability and Respect.

CORE OBJECTIVES: The objectives and functions of the College are to be;

- i. Provide directly, or in collaboration with other institutions of higher learning, facilities for technical trainers in technological, professional and scientific education;
- ii. Participate in technological innovation as well as in the discovery, transmission and enhancement of knowledge and to stimulate the intellectual life in the economic, social cultural, scientific, and technological development;
- iii. Contribute to industrial and technological development of Kenya in collaboration with industry and other organizations through transfer of technology;
- iv. Examine and make proposals for new diploma courses and subjects of study, departments, resource and research and innovation;

- v. Promote and establish a culture of innovation in engineering and technology, and technology transfer amongst staff and trainees;
- vi. Develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology, its development, impact and application within and outside Kenya.
- vii. Provide adequate and appropriate skilled Artisans, Craftsmen, Technicians and Technologists at all levels of the economy through practical training and work experience;
- viii. Provide increased training opportunities for the increasing school leavers and other trainees to increase employability;
- ix. Provide continuous upgrading of skills and knowledge at the pace and ability of the trainees;
- x. Provide a dynamic curriculum responsive to the manpower needs of a dynamic economy;
- xi. Impart marketable skills, technical know-how and attitudes that respond to contemporary labour market demands by the industry, informal sector and for self-employment;
- xii. To enhance the college and community social development through the promotion of effective broad based corporate social investment projects, while promoting access, sustainable use and benefit sharing of resources

### c) Key Management

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

- Board of Governors
- Principal
- Principal's Management Committee (PMC)
- Academic Committee

### (d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mrs. Audrey M.A Odhiambo.
2.	D/Principal	Mrs. Mary Atieno
3	Accountant	Mr. Evans Oyugi
4.	Supply chain officer	Mr. Elizabeth Andhoga
5.	Ag. Dean	Mr. Evans Nadecho
6	Ag. Registrar	Mr. Geoffrey Ayoyi
7	Human Resource officer	Mr Kevin Ochieng

### (e) Fiduciary Oversight Arrangements

The college has put in place measures and structures to enforce fiduciary and oversight arrangements and ensure compliance. The Board is which is the overall governance organ so far comprises of three key committees; the Administration, Finance and Infrastructure (AFI) committee, the Education, Research and training (ERT) committee and the Audit and risk Management committee (ARM).

These committees provide policy direction and oversight to the college Management while advising on various policy matters relating to its mandate.

The main objective of the Administration, Finance and Infrastructure (AFI) committee is to assist the board in discharging its duties in relation to effective and efficient utilization of all the resources, operation of adequate systems, safeguarding of assets, control processes, preparation of accurate financial reporting and statements in compliance with all applicable legal requirement and accounting standards. The AFI Committee, as a Standing Committee of Board, will collaborate with, and respond to, Board to:

- I. Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource mobilization practices including recruitment, reward, retention, motivation and development of the Institution's staff;
- II. Oversee the Institution's compliance with legal, statutory and regulatory requirements relating to finance, infrastructure and resource mobilization matters as well as compliance with ethical and quality standards adopted by the Institution.
- III. Receive and consider proposals and reports on matters relating to finance, development projects and resource mobilization in the Institution and its campuses.
- V. Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of the Institution.
- VI. Report to Board on a regular basis regarding matters considered in each of the committee's meetings.

The Education, Research and Training (ERT) committee of the Board Oversees the development and administration of policies, procedures and strategies that will promote high quality education, research and training across the Institution. The Committee, as a Standing Committee of Board, will collaborate with, and respond to, Board:

- i. To Oversee the development and administration of policies, procedures and strategies that will promote high quality education, research and training across the Institution;
- ii. To guide the Institution to meet its strategic aims and objectives in relation to education, research and training activities;
- iii. To develop high quality education courses and other activities to promote good practice within the relevant fields.

The AUDIT and Risk Management Committee oversees the implementation of appropriate systems to identify, monitor and mitigate significant risks. The ARM Committee, as a Standing Committee of the Board, shall provide assistance to the Principal or to the Board and shall involve in all or a combination of the following duties and responsibilities:

- i. Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
- ii. Oversee the implementation of developed policies, procedures and strategies that will promote effective and efficient management systems within Ugunja Technical and Vocational College;
- iii. Provide an independent review of the Institutions' reporting functions to ensure the integrity of the financial reports.
- iv. Ensure the Institution effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.
- vi. Provide oversight of the implementation of accepted audit recommendations and consider reports on matters relating to audit.
- vii. Provide strong and effective oversight of the Institution's internal audit function
- viii. Report to Board regularly regarding matters considered in each of the committee's meeting

Further, the college has developed financial regulations and procedures and also submits its quarterly and annual financial statements and accounts to the relevant authorities for audit.

**(f) College Main Campus**

P.O. Box 300-40606  
Along Rambula - Sigomere road  
Ugunja, Kenya

**(g) College Contacts**

Telephone :(+254)791226786  
E-mail: [ugunjatechcollege@gmail.com](mailto:ugunjatechcollege@gmail.com)  
Website [www.ugunjatvc.ac.ke](http://www.ugunjatvc.ac.ke)

**(h) College's Bankers**

Kenya Commercial Bank  
Kisumu Airport Branch  
P.O. Box 2093-40100  
Kisumu, Kenya

**(i) Independent Auditors**

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University 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

## II. THE BOARD OF GOVERNORS



**Eng. Peter Oloo Okaka**  
Chairman

Engineer Okaka is the Chairman of the Board of Governors. He was born in 1945. He is a distinguished, renowned Mechanical Engineer and Education expert with over 30 years' experience having risen through the ranks to the current position. He is a holder of Masters of Science degree in Mechanical Engineering and a Bachelor of Science degree in Mechanical Engineering. He was appointed as Chairman of the College board for a term of three years with effect from 13<sup>th</sup> January 2020.

He previously served as Deputy Principal, KTTC from 1979 to 1981, after which he served as the Principal, Kenya Polytechnic from 1982-1985, where he oversaw transformation of the TVET college. Eng. Okaka was later in 1986 appointed as the Senior Deputy Director of Education at the Ministry of Education where he served till 1987. In 1988 to 2002 he also served as the Director Technical Training & Applied Technology. He is also a practising educator as a lecturer from 2007 to 2008 where he was on Part-time mode but currently full time lecturer at the School of Engineering and Technology, Kenyatta University. While at the Kenyatta University from the year 2012 to date, He serves as the Chairman, Mechanical Engineering department, School of Engineering and Technology serves as the chairman where he successfully initiated and carried out Staff professional programs, workshops which culminated into accreditation mechanical engineering.



**Audrey M.A Odhiambo**  
PRINCIPAL/BOG SECRETARY

Mrs Odhiambo is the Chief Executive Officer and was appointed as the pioneer Principal of Ugunja Technical and Vocational college with effect from 29<sup>th</sup> June 2019 hence becoming the pioneer Secretary to the Board. She was born in 1971 and holds a Master's degree in Education (Guidance and Counselling) from Maseno University and Bachelor's degree in Education (Science) from Kenyatta University. Before joining Ugunja TVC, she served as the Deputy Principal Siaya Institute of Technology from 2016 to 2019. Prior to this position, she served as the deputy Dean of Students in charge of Guidance and counselling department from 2015 to 2016. She also served in the same capacity previously at Migori Teachers Training College from 2010 to 2013. Prior to this, She was the head of department Biological Sciences department from 1999 to 2008 at St. Marys School, Yala, where she began her teaching career (biology /chemistry) in 1994. She has consistently produced excellent results and performance.



**Lameck Tala Mdwasi**  
BOG MEMBER

Mr. Mdwasi is a member of the Board appointed as a member of the Ugunja Technical and Vocational college with effect from 13th January 2020. He was born in 07/02/1976 and is a holder of a Bachelor's of Arts degree in Communication and Media Technology from Maseno University. He is currently pursuing a Master's degree in Education Management at UNICAF University.

He is a certified Quality Management Auditor. He is career consultant and a seasoned Placement officer with BOMA international hospitality college owned by the Kenya Red Cross Society of Kenya from October 2019 to date. He also 2017 doubles up as Youth program officer for the Diaspora of Employability and Enterprise Development Institute (DEED), from January to date. Prior to this position, he served as the Placement Officer, Zetech university from 2011 to 2016 before which he was an Instructor at Zetech university March to December 2010.



**CPA(K) Sospeter Ogada Omondi**  
BOG MEMBER

Mr. Sospeter Ogada Omondi is a professional certified Public Accountant CPA (K). He was born in 15/08/1978. He was appointed as a member of the board of Ugunja TVC with effect from 13th January 2020. He is a holder of Certified Public Accounting - CPA (K), Master's Degree in Business Administration (finance option) at Jomo Kenyatta University of Agriculture and Technology JKUAT, Bachelor's degree in Business Administration from Moi University. He is currently pursuing Senior management Course At Kenya School of Government.

He has undergone extensive training on financial accounting and management and has gained immense skills in the course of his career.

He is an accountant at the Kenya Medical Training College, Nakuru Campus from 2009 to date. Previously, he served as an accountant from 2007 to 2008 at the Regional institute of Business Management (Kenya-branch), Kisumu. Prior to that He was at Mildmay International as an Assistant Account from 2006 to 2007. From the year 2001 to 2003 he worked at Mardson Insurance brokers as an office assistant.



**CHAIRMAN,  
EDUCATION RESEARCH AND TRAINING  
COMMITTEE**  
**Felix Okoth Otieno**

Mr. Felix Otieno okoth is the a Software Developer. He was born in 7/10/1979. He was appointed as a member of the Board of Ugunja Technical and Vocational College with effect from 13th January 2020.

He is a holder of Master's Degree in Computer Science and is Currently pursuing PhD in Computer Science. He is an ICT lecturer at Technical University of Kenya from 2016 to date in the School of Computing and he is also involved in start-ups – MTEK. He also previously lectured at the Jaramogi Oginga Odinga University of Science and Technology in the school of Computing and Informatics. MR. Felix has gained wide experience in Information Communication Technology having served in various positions and fields. Currently, he is a member of the Industrial Advisory Committee, Sigalagala National Polytechnic from 2021 to date. Prior to this he was a lead developer in software engineering at Mansoft limited, Nairobi from 2012 to 2018. He was also a lead developer in Microsoft corporation Vancouver B.C, Canada from 2011 to 2012.

From the year 2007 to 2011 he worked at the Redmond W.A, USA as a Software Engineer. Earlier in 2006, he worked as a Software Engineer in charge of Administration and company web services, PowerShell remoting, and API testing at Microsoft corporation.



**Rozilla Adhiambo**  
**BOG MEMBER**

Dr. Rozilla Adhiambo is the programme Manager with Africa Council for Religious leaders - Religions for peace. She was born in 20/08/1964. She was appointed as a member of the Board of Ugunja Technical and Vocational College with Effect from 13th January 2020. She is a distinguished, seasoned program manager and has gained wide experience in Project Management having served in various positions and fields. She is a holder of PhD in Strategic Management, Master's degree in Strategic Management, Bachelor's degree in human resource management and Diploma in Education. Currently, she lectures in Several Universities in Kenya and has publications in revered journals.

She served as a centre coordinator at the Ugunja campus of Jaramogi Oginga Odinga University of science and Technology 2014 to 2017. Prior to this, in 2015-2016 she served as a Program Manager with CDTF/ DANIDA.

In 2011 she served as a Grants Officer at Pathfinder international in 2011. She also served as Programme manager & Officer from 2006 to 2011 at the Rangala Family Dev Programme. From 1999 to 2006 she served as the Education Project coordinator at Africa Network for prevention and protection against child abuse and Neglect. She began her career as a teacher in the early years of 1989 to 1999.



MR. Karilus Ben Nyaoro Umija is the Chairman of the Administration Finance and Infrastructure BoG committee. He was born on 23/09/1954. He is a holder of Bachelor of Education, (B .Ed) degree. He has been member of the board since 14<sup>th</sup> May 2020 when he was appointed, for three years.

He has risen up the ranks as an educator with over 30 years teaching experience as an educator. Served as a teacher from 1980 to 1989 when was appointed as the Principal of Sirembe mixed Secondary School where he served for twelve years. He was later appointed to Maliera Boy's High school in the same capacity for where he served for seven years. He also served as the Principal of Tabaka high School, Kisii school for one year before finally serving at the St. Mark's Obambo secondary school from 2011 to 2014 where he retired. He has gained wide experience in leadership and management and is a great resource to the college.

**BOG MEMBER (CHAIR ADMINISTRATION  
FINANCE AND INFRASTRUCTURE  
COMMITTEE**

***Mr. Umijah Ben Karilus***



Eng. Jane Pauline Maeri Mito is a Civil and Structural Engineer. She was born in 19/07/1991. She was appointed as a member of the Board of Ugunja Technical and Vocational College with effect from 13th January 2020 for three years.

She is a holder of Bachelor's degree in Civil and Structural Engineering. She has served in various positions and fields and gained wide experience.

While at Kenya National Highways Authority in the Road asset and corridor management project she served as an Assistant. Engineer from 2019 to date. Prior to this she served as Deputy Resident Engineer, from February 2018 to June 2019. Before this, she worked at Kabuito Contractors Limited from the year 2017 to January 2018. During the period ranging May 2016 to September 2016 she served at the Kenya Rural Road Roads Authority.

***Jane Pauline Maeri Mito***  
**BOG MEMBER**



**BOG MEMBER**

Eng. Vincent Ochieng Oyieng is a member of the Administration Finance and Infrastructure BoG committee. He was born on 1956. He is a holder of Bachelor of Education, (B. Ed) degree. He has been a member of the board since 13<sup>th</sup> January 2020 and he was appointed, for three years.

He is a holder of Bachelors of Science Agricultural Engineering degree in Civil and Structural Engineering.

He has served as a County Director of Irrigation from 2014 to date prior to which he served as a District Irrigation Officer, Rachuonyo North District from 2010 to 2014. From the year 2009 to 2010 he served as a Provincial irrigation engineer in Nyanza. In the year 2004 he served as a District Irrigation Officer in Rachuonyo district until the year 2007. He also served as a District soil and water conservation officer, Suba district in 1994 to 2004. Previously, from 1985 to 1996 he served as a District irrigation officer in Kwale district.

*Vincent Ochieng Oyieng*

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**COUNTY DIRECTOR TVET**  
**Representative of the Principal**  
**Secretary**  
**Joseph Sunguti**

Mr Joseph Sunguti is the Principal Secretary's representative in the Board. He was born in 1961.




He is a holder of Master's degree in Education and a Bachelor's degree holder in Education.




He has a wealth of experience and has risen up the ranks from 1985 as a secondary school teacher to becoming a Teacher Trainer in 1989. He served as a curriculum developer in 2005 for three years. He would later join the Ministry Of Education as a policy Implementation Officer to from 2008 to 2013.

He has served as a County Director TVET in various regions from 2014 to date.

### III. MANAGEMENT TEAM (PMC)

The following members of staff served in the Principal's Management committee during the financial year ended 30TH JUNE 2022.

PMC	Responsibility
	<p>Audrey M.A Odhiambo Principal/BOG Secretary M. Ed, B Ed (Sc)</p> <p>Chief Executive Officer/Principal is responsible for the day to day operations at the college</p>
	<p>Mary Atieno The Deputy Principal, Higher National Diploma (HRM) B ED (Home Economics)</p> <ul style="list-style-type: none"> <li>a) The Principal assistant to the Principal and takes charge of all institutions' administration in the absence of the principal</li> <li>b) Maintains trainees' discipline</li> <li>c) Supervises and maintain proper inventories (Equipment and supplies)</li> <li>d) In -charge of curriculum implementation</li> </ul>
	<p>MR Geoffrey Ayoyi The Ag Registrar B Sc. Mathematics and Computer Science</p> <ul style="list-style-type: none"> <li>a) Responsible for management of trainees' information on enrolment, registration, attendance, academic results, assessment and graduation.</li> <li>b) Advising trainees on available career and sponsorship options</li> <li>c) Coordinates institutions learning and marketing programs.</li> </ul>

<p>4. The Ag. Dean of students</p>  <p>B Sc. In agricultural engineering. Evans N Nadecho</p>	<ul style="list-style-type: none"> <li>a) In charge of administration and enforcement of college policies relating to trainees' affairs and discipline, addressing questions and concerns by managing their budget for their activities, coordinating their housing, health and extra-curricular services.</li> <li>b) Updating all relevant students' resources &amp; coordinating all non-academic student related programs.</li> </ul>
<p>5. Accountant – CPA 'K', B .com Degree in Commerce, Accounting Option</p>  <p>Evans Oyugi</p>	<p>In charge of</p> <ul style="list-style-type: none"> <li>a) Reconciliation of trainee's fees records and issuing of fee statements to trainees</li> <li>b) Filing of accounting documents</li> <li>c) Receiving college revenues and issuing receipts</li> <li>d) Processing of payment vouchers</li> <li>e) Bank reconciliations and maintenance of cash book</li> <li>f) Preparation of final accounts and reports/statements</li> <li>g) Payroll processing and payment of statutory deductions</li> </ul>
<p>6. Procurement clerk Diploma .IN SUPPLY CHAIN MNGT Registered as A Practitioner with Kenya Institute of Supplies Management</p>  <p>Elizabeth Andhoga Abongo</p>	<ul style="list-style-type: none"> <li>a. Preparation of purchase orders</li> <li>b. Schedule deliveries for supplies, goods and services.</li> <li>c. Provision of support in drafting tender inquiries/ documents</li> <li>d. Keep procurement records and reports on supply costs</li> <li>e. Update the supplier register to quick procurement of goods and services</li> <li>f. Attend to purchase enquiries across the departments to ensure they are well informed of procurement progress</li> <li>g. Collect data on prices for goods, services to enhance cost management</li> <li>h. Develop and implement the institution procurement plan to ensure availability of required goods and services at all time according to the institution requirement and strategies.</li> </ul>

7. Human Resource clerk  
Higher Diploma in Human resource ,  
Diploma in Human Resource  
member if Kenya Institute of Human  
Resource Management



**KEVIN OCHIENG ODUOR**

Effectively assist the public and employees; answer calls and determine how calls should be routed; direct public and employees to appropriate offices; answer routine questions; and distribute and explain forms, such as, employment applications.

- Prepare, process and review a variety of documents such as applications, employee files, payroll records, for completeness, accuracy and submission standards.
- Type a variety of documents in draft and final form, such as correspondence, forms, and reports; proofreads materials for correct grammar, spelling and punctuation.
- Assist in processing unemployment claims, personnel action forms, and employment verifications.
- Assist in administering the employees benefits program and activities.
- Schedule and organize meetings, sort and distribute mail; maintain employee and departmental files.
- Assist in the recruitment process; mail applicant notifications and administer typing tests.
- Maintain department supplies and process invoices for payment.
- Operate a variety of office equipment including computer; related software, photocopiers, fax machines, and printers.
- Understand and follow oral and written instructions.
- Communicate effectively, both orally and in writing.
- Establish and maintain cooperative working relationships with those contacted in the course of work.

#### IV. CHAIRMAN'S STATEMENT

The college was launched on 31st AUGUST 2019. The Board of Governors (BOG) were duly appointed in January 2020 inaugurated on 12th February, 2020 and inducted in November 2020 line with the TVET ACT NO. 29 of 2013. Board of Governors comprised ten members including the Principal and the County Director TVET: who is the representative of the Principal Secretary, State department for Vocational and Technical Training.

The Board of Ugunja TVC is established pursuant to the provision of TVET ACT No 29 of 2013 and mandated to: Oversee conduct of education and training, promote and maintain standards, quality and relevance; Administer and manage college property; Develop and implement the strategic plan; Prepare annual estimates of revenue and expenditure and incur expenditure on behalf of the institution; on behalf of the institution receive fees, grant, subscriptions, donations, bequests or other monies and make disbursements to the college or other bodies or persons determine the fees payable prescribing the condition under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET ACT No 29 of 2013. Pursuant to the provisions of TVET ACT 29 of 2013 which empowers the Board as the governing organ to "set up such committees as may be appropriate, three committees: The Administration, Finance and Infrastructure (AFI), Education, Research and Training (ERT) and Audit and Risk Management (ARM) committees were operational during this financial year 2020-2021. The ten board members are divided into three sub committees under the chairmanship of Eng. Peter Oloo Okaka as follows;

<b>AFI COMMITTEE</b>	<b>ERT COMMITTEE</b>	<b>ARM COMMITTEE</b>
1. Mr. Karulis Umija	1. Mr. Felix Otieno Okoth	1. Mr Vincent Oyieng
2. Ms. Jane Pauline Maeri Mito	2. Dr. Rozilla Adhiambo	2. Mr. Lamek Tala Mdwasi
3. Mr. Sospeter Ogada	3. Mr. Lamek Tala Mdwasi	3. Internal Audit
4. Mr. Joseph Sunguti	4. Mr. Joseph Sunguti	

The Principal is the secretary to all the meetings except for the ARM committee where the Internal Auditor is the secretary.

The first cohort of 175 trainees who were enrolled in the January – March 2020 term continued with their studies with 84 of these having registered for their KNEC exams then proceeded for their attachment. The second cohort of 173 who reported in January 2021, majorly for technical courses were in their second term and proceeded to their third term. The May-July 2021 term was not actualized as planned due to COVID 19 pandemic since it began on the 24th of May 2021 to end on 28th July 2021. The third cohort of 152 trainees were admitted in September 2021. The third cohort was admitted in September 2021.

During the Second Quarter FY 2021-2022, 116 of the first cohort of 175 trainees were out on attachment, while second cohort of January 21 (173) intakes and the September 21 (152) continued with their studies. The results of the 84 candidates who sat for the KNEC July series were released and analysed the institution managed to achieve a 40.2% percentage pass. The second lot of 94 candidates sat for their KNEC November series exam and are to proceed for their attachment.

During the third quarter, the fourth cohort of 50 trainees who were enrolled in the January – March term continued with their studies 141 of second cohort of 173 trainees were out on attachment, while first cohort of January 20 (175) intakes and the September 21 (152) continued with their studies. The second set of results of the 94 candidates who sat for the KNEC November series were released and analysed the institution managed to achieve a 46.67% in improvement from 40.51% July series. The third lot of candidates registered and sat the JULY 2022 KNEC series and some of whom proceeded for their attachment while others completed their studies.

During the fourth quarter, the fourth cohort of 50 trainees who were enrolled in the January – March term continued with their studies as well as all other first three cohorts. Two hundred and twenty two (222) candidates were registered for the KNEC JULY 2022 series and 51 of the candidates were finalists (30 Certificates and 21 artisan). 254 trainees were

scheduled to proceed for their attachment in the Sept –November 2022 term. The May-July2022 term was actualized as planned, it began on the 5th of May 2022 to end on 28th July 2022.

The enrolment was on an upward trajectory from 175 to 348, from 348 to 500 then from 500 to 550 by the end of the FY 2022. 222 candidates were registered for were registered for KNEC July 2022 exam Series. The KNEC examination results were as follows: July 2021 Knec Series we had realised an overall percentage pass of 40.51%, November 2021 Series we had 46.67% pass and the July 2022 series we realised a 59.17%.

The college had 16 Public Service Commission (PSC) trainers and 1 PSC intern trainer who served in the following departments; Administration, ICT, Electrical and Electronic engineering, Building and Civil engineering, hospitality, business and Mechanical Engineering. In order to cater for the deficit during the first quarter, sixteen other trainers were contracted on BoG terms, seventeen in the second and third quarters, while eighteen other trainers were contracted in the fourth quarter. Three trainers were upscaling in pedagogy at Kenya Teachers Trainers' College while one was pursuing her degree mechanical engineering course at Technical University of Mombasa (TUM) in this financial year. During the financial year 2021-2022, the BOG ensured compliance with all of the relevant statutory and regulatory bodies as one of the initial steps of operationalizing the institution. During financial year 2021/2022 ending 30th June 2022, compliance with Ministerial directives on recruitment of qualified critical staff was on course and a Human Resource Officer was recruited on BOG terms.

On infrastructure,

In the first Quarter, the college managed to continue construction of the Gate and Sentry, walk way, electrical power uprating complete improving the Food and beverage lab. Hairdressing, beauty therapy labs was still ongoing due to late disbursement of capitation. Further the projects of having driveway, walkway, wash points and electrical uprating were still on-going due to low and delayed funding.

In the second quarter, the college managed to completed construction of the Gate and Sentry, while walk way, electrical power uprating were ongoing. Improving the Food and beverage lab and Hairdressing, beauty therapy labs were complete. In the third quarter, the college managed to initiate establishment of Management information System and construction of the 2 no classroom Sponsored by NG -CDF, while walk way, electrical power uprating were ongoing, improving the Food and beverage lab. Hairdressing, beauty therapy labs were complete.

In the fourth quarter, the college managed to complete construction of the walk ways and two number classroom, while electrical power uprating was ongoing. The college management procure training metallic chairs plastic and library furniture.

Government grants:

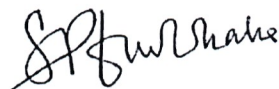
The board appreciated the gesture of disbursement of the fourth FY 2020/2021 quarter 4 July 30th July 2021 capitation worth Ksh. 3,420,000.00 for 456 trainees and recurrent Grant worth KSH 500,000.00. The validated, approved enrolment data of our students was submitted to the Ministry of Education on September 30th, 2021 that was the basis for disbursement of capitation for quarter One and quarter two FY 2021/2022. The KUCCPS validated 442 students for Quarter one FY 2021/2022 funding. The first quarter capitation worth Kshs. 3,315,000.00 was disbursed trainees on 23rd November 2021. The second quarter Capitation Kshs. 3,315,000.00 was disbursed on 2nd March 2022 for 442 trainees. In February 2022 the validated, approved enrolment list of our students submitted to the Ministry of Education, was the basis for disbursement of third Quarter capitation grant for worth KH 3,757,500.00 for 501 trainees which was wired to our account on June 3rd 2022. The board appreciates the gesture of disbursement of the third quarter capitation. It is imperative to note that the institution faced was late and inadequate disbursement of funds to meet its budgetary obligation

The major challenge that the institution faced was late and inadequate disbursement of both recurrent grant and capitation grant to meet its budgetary obligation typical of the fourth Quarter Capitation that was not honoured by the Government. However the board ensured that it was but was invoiced on the students.

Given the exponential growth/enrolment and financial status of the institution, the BOG surveyed other sources of resource mobilization by successfully appealing to the Ugunja CDF through the Honourable Member of Parliament to

support the institution by having two additional classes which were constructed. Further, a proposal was successfully submitted to the Principal Secretary, State Department for Vocational and Technical Education, Ministry for a building and Civil engineering complex. The Board, through the secretary did a follow-up on the monies owed by the government for possibilities of making good its pledges on funding. The board advised the management on surveying the option of proposals for production units as an alternative of funding its own activities. Finally, the board also appeals to the relevant Government agencies release funds in good time to enhance quality service delivery.

The Board completed the development of the first ever Strategic Plan (2021-2025) and several relevant policies. It therefore has a clear road map on how to support the college to establish its systems and infrastructure on a solid foundation as it delivers on the core mandate. As a way of ensuring quality service delivery and performance management, the Board prepared an annual work plan to ensure that what gets measured gets done. With this, the college was roped into the first ever 18th Cycle Performance Contract (PC), timely submitted its 1st, 2nd, 3rd and 4rd quarter reports to the relevant agencies, was evaluated and rated at a composite score of 3.1602 which is equivalent to Good performance. The BOG commits to continue partnering with all other relevant stakeholders as a way forward to supporting the management in offering top notch training and become the centre of excellence that this great college is marked for.



.....  
**Chairman of Board**

**DATE.30/09/2022**

#### V. REPORT OF THE PRINCIPAL

Ugunja Technical and Vocational College is a growing public Technical and Vocational institution in its sixth academic semester. It was launched on 31st August 2019. The Board of Governors (BOG) were nominated, duly appointed in January 2020 and inaugurated on 12th February, 2020 in line with the TVET ACT NO. 29 of 2013. Board of Governors comprise of ten members including the Principal and the County Director TVET: who is the representative of the Principal Secretary.

The management is in the process of establishing its structures to serve and anchor it on a solid foundation, and entrench it on key values and attitudes relevant to training graduates who can competently manipulate every opportunity.

The institution completed its fifth academic term in the third year of being operationalized. Structures, policies, procedures and processes were being developed. The third Annual FY 2021-22 report is hereby presented as per the provisions of the relevant statutory and regulatory requirements.

The college had a total enrolment of 550 trainees in the May – July Term. We did not have the May intake however the fourth cohort (50) lot of students in January –March Term 2022 term and all other trainees were on session.

The College is registered its third (222) candidates for the KNEC July 2022 series and the exams began on 29th June 2022. Department have prepared new targets and recommendations to ensure that KNEC results improve. We intend to implement Competency Based Education Training (CBET), so as to conform to global skills requirement and meet the local market demand for manpower and product.

The college had a lean non-teaching staff (9), three cleaners, and two administrative assistants, one procurement officer, one accountant, one technician, one human resource officer. The Government through the Public Service Commission had posted sixteen trainers who also served in Administration, (2) ICT department (2) and Mechanical Engineering Department (7) and Electrical Engineering Department (3), Food and Beverage (1) Building and Civil Engineering. In order to cater for the deficit during the first quarter, sixteen other trainers were contracted on BOG terms, Seventeen in the second and third quarters, while eighteen other trainers were contracted in the fourth quarter. Three trainers were upscaling in pedagogy at Kenya Teachers Trainers' College while one was pursuing her degree Mechanical Engineering course at Technical University of Mombasa (TUM).in this financial year. Further, the college had a challenge of valuation of its assets due to the unavailability of required (individual equipment cost) details from the Ministry of Education.

In an effort to comply with the requirement to increase forest cover in the region, curb soil erosion and secure our boundary, the college tended to the planted trees as the place is infested attachment in the relevant attachment field for exposure to new models of affordable housing with termites as guided by the by Kenya Forest Service.

Further, the college offers Technical courses such as Building Technology that are competence based where our trainees are learn how to prepare affordable building of blocks and will churn out graduates that significantly contribute to the Sustainable Development Goals (SDGs), Vision 2030 and more specifically the affordable housing aspect of the "Big Four" Agenda. In line with this, the management has prioritized Institutional Capacity Building, Collaborations and Partnerships, while linking academia with industry through placing students on.

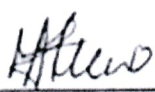
Further, the college shares its drilled borehole water resource with the immediate community for domestic consumption as our Cooperate Social Responsibility (CSR). This reliable water resource was erected courtesy NG-CDF Ugunja.

The following are some of the major challenges that the institution faced:

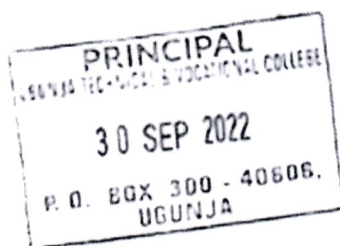
1. Lack of adequate funds (fourth quarter capitation grant) to meet the initial establishment cost of required infrastructure required to match the fast growing student enrolment.
2. The Mechanical Engineering machines could not efficiently serve their purpose of training and production because of the low power rating, an aspect of implementation that the that Ministry of Education should expedite for upgrading of the switch gear:
3. We had to recruit additional trainers on BOG terms to cater for the trainer deficit that we were experiencing in five departments which increased our wage bill (expenses);
4. Inability to Value our Machines of its assets due to the unavailability of required details from the Ministry of Education details.

This low funding state was in form of reduction in operational grant, poor fees payment by parents and sponsors, COVID-19 pandemic that created a negative socio economic effect and prolonged break that saw students out of school and no submission of capitation grant for quarter 4 FY 2021-22 by the Government. As a result, the college could not meet its budgetary obligations forcing the board to only finance the mandatory core training activities. To address this, the college has come up with various marketing strategies to ensure that college admits as many students as possible during the 2022-2023 financial year which would boost its funding base from the fees.

The institution complied with all the statutory and regulatory requirements and with the Ministerial Directive to recruit competent key administrative officers: the process of recruiting a competent human resource clerk was completed in August 2021.

Sign 

Date 30/09/2022



Section 81 Sub Section 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's entity performance against predetermined objectives.

The Ugunja Technical and Vocational College board has 4 Key Strategic pillars /themes /Issues and objectives within the current Strategic Plan for the FY 2020/2021 -2024/2025.

These strategic pillars are as follows:

1. Pillar/ Theme/issue 1: Quality training for Sustainable Development
2. Pillar /theme/Issue 2 Resource mobilization and financial Stability
3. Pillar theme/Issue 3: Research Innovation and Technology
4. Pillar theme/Issue 4; Cooperate governance partnerships and linkages

Ugunja Technical and Vocational College Board develops its annual work plan based on the above 4 pillars. Assessment of the Board's performance against its Annual Work Plan is done on quarterly basis. The Ugunja TVC Board achieved its performance targets set for the FY 2021/22 period for its 4 strategic pillars as indicated in the diagram below:

STRATEGIC PILLAR	OBJECTIVE	KEY PERFOR	ACTIVITIES	ACHIEVEMENT
1. : Quality training for Sustainable Development	To offer accessible, equitable, quality and relevant technical training by increasing To Provide enrolment from 348-598 by the end of the Year	Increased Enrollment data	Strategic marketing	Increased enrollment from 348-550
	To offer internship/ industrial attachment/apprenticeship	Increased trainee attachment /internship or	Provision of /industrial attachment/ opportunities	Attached 4 trainees
	To Develop and implement annual academic calendar/Curriculum implementation by the end of the Year	Develop and implement annual academic calendar/C urriculum improved performance in	Implementation of curriculum	Improved results from 40.51% to 46.67% to 59.17%
2. To achieve financial sustainability for UJTVC to carry out its mandate and function	To Recruit qualified and competent staff on needs basis	Increased staff retention and	Staff recruitment and retention	Employed the human resource officer and more trainers

	To Develop and implement a comprehensive annual and budget procurement plan by the end of the Year	Annual approved budget and Procurement Plan developed	Preparation, approval and implementation of The board achieved its objective of developing the strategic plan: a roadmap for the next five years which would be the basis for the future annual work plans. Ugunja TVC Board prepared a work plan in FY 2021/2022 for the continued implementation establishment of the institution in line with the Strategic plan. This plan was interrupted by the non-submission of the recurrent grant, late disbursement of the capitation grants and insufficient HELB loan disbursement against a growing student population. However the following were accomplished;	Annual approved budget & procurement plan prepared and implementation
	To Monitor and evaluate the implementation of annual budget and procurement plan by the end of the Year	Quarterly implementation reports	Preparation and submission of Quarterly budget & procurement plan implementation reports	Quarterly financial reports and statements & procurement reports submitted.
	To Improve stewardship in financial, built and natural resources by the end of the Year	number of Capacity building programs implemented	Planning and attending Capacity building programs	Proc officer and finance officer attended capacity building programs
	To Initiate Income Generating unit(IGUs) by the end of the Year	Number of IGUs initiated	Development of proposals for IGUs	3 Departmental IGU proposals Approved
	Install an MIS system by the end of the Year	Contract	Installation an MIS system	Initial Installation of the MIS system
	To Conduct annual staff appraisal, Negotiate and assign new Performance targets by the end of the Year	Appraisal reports	Appraisal	To Conduct annual staff appraisal, Negotiate and assign new Performance targets by the end of the Year Appraisal reports
3. To continuously improve research and Innovation capacities	To Present best innovations to TVET Fair competitions targets by the end of the Year	TVET proposals	Preparation and presentations of best innovations to TVET Fair competitions	Presented best innovations to Regional TVET Fair competitions targets by the end of the Year

4. To ensure Compliance, Collaboration, Linkages and Partnership and best practices in Corporate governance	To Undertake Annual Board appraisal by the end of the Year	Evaluation Report	Annual Board Evaluation Board	Annual Board Evaluation appraisal of Board was
	To Enhance Corporate Governance and Quality Management Systems by developing or reviewing and implementing appropriate policies, guidelines and procedure manuals targets by the end of the Year	Policy and procedure manuals developed and approved for use	Appointment of committees for Preparation of the documents Implementation reports	Strategic plan finalized, other Policy and procedure manuals developed
	To Develop Board Annual Work Plan and Attend all scheduled meeting as per the almanac targets by the end of the Year	Board Annual Work Plan meeting Attendance list	Develop Board Annual Work Plan and Attend all scheduled meeting	Work plan developed and almost all members attended the meetings
	Sign & implement Performance Contracting targets with Government of Kenya targets by the end of the Year	Reports submitted to relevant Offices	Timely submission of the required reports in the required format	Successfully participated in Performance Contracting cycle 18 and annual evaluation. Attained a composite score of 3.1 whose rating is Good. <ul style="list-style-type: none"> <li>• Signed cycle19 Performance contract</li> </ul>

#### A. STATUS OF DEVELOPMENT PROJECTS

1. The NG-CDF honoured the BOG's request and took up construction of the two classes which were handed over and are currently in use thus improving availability of the training rooms.
2. The Management information System was procured and the initial stage of implementation is at an advanced stage to facilitate ease of doing business. Work in progress.
3. The revised BQs for the drive way and shed were ready and the tendering process would begin immediately the funds are disbursed.

On infrastructure, the college managed to completed construction of the Gate and Sentry, while walk way, electrical power uprating were ongoing, improving the Food and beverage lab. Hairdressing, beauty therapy labs were complete.

SERIAL NO.	PROJECT DESCRIPTION	NATURE OF CONTRACT	AMOUNT BUDGETED	STATUS	SOURCE OF FUNDS/ PROJECT FINANCIER
1.	Electrical power Upgrading	Labour contract	KES. 1,733,040 .00	ON GOING	UJTVC BOG and GOK
2.	Construction of walk and wash areas	Labour contract	KES. 3,066,314.89	ON GOING	UJTVC
3.	Gate, Sentry Box,	Full contract	k.sh 2, 000,000.00	completed (95%)	NG-CDF UGUNJA
4.	2 no classroom	Full contract	2,000,000.00	(95)% complete	NG-CDF UGUNJA

### B STATUS OF PERFORMANCE CONTRACT

The college was roped into the 18th Cycle Performance Contract (PC) and had timely submitted its 1st, 2nd, 3rd and 4rd quarter reports to the relevant agencies s was awaiting the first ever annual PC evaluation.. Upon Evaluation the institution attained a composite score of 3.1 which is rated as good. We are currently also on the FY 2022/2023 19th cycle of performance contract.

## VII. CORPORATE GOVERNANCE STATEMENT

Corporate governance refers to mechanism, relations and processes by which a cooperation is controlled and directed. It involves balancing the interests of the stake holders of a cooperation. Good corporate governance practices are essential to the delivery of long term and sustainable stake holder value.

To strengthen accountability and to build confidence among stake holders. Ugunja Technical and Vocational college is committed to sound principal of corporate governance and sustainability and believes that good corporate governance is critical not only at the corporate level but at the national level. in view of this, the board prepared and approved Board charter for use.

### **Board size, composition and appointment**

The College Board of Governors is constituted of eight members who were recommended to the Cabinet Secretary for appointment by the nomination panel, the Principal and the County Director. They were duly appointed taking into account ethnic and gender balance, and inclusion of persons with disabilities, minorities and the marginalized, and ensure balanced competencies among the members. They are representative of chairperson, a representative of the Principal Secretary in the Ministry responsible for technical and vocational training; a representative of the county Governor of the county within which the institution is located; six other persons appointed on the basis of their knowledge and experience in leadership and management; financial management; technology; industry; engineering and information communication technology.

### **Process of Appointment and Removal**

In appointing and reappointing members of Boards of Governors, the commencement dates of some members shall be staggered by the cabinet secretary to maintain a proportion of new membership that ensures continuity in the affairs of the Boards of Governors.

The appointment of a member to a Board of Governors or to its committees shall be revoked and the member shall vacate office if the member — resigns; becomes insolvent or has conveyed or assigned his property or has made a proposition or arrangement for the benefit of his creditors; is sentenced by a court of law to imprisonment for a term of six months; is incapacitated by physical or mental illness; has been absent from three consecutive meetings of the Board of Governors without leave; where the member is a representative, has his appointment revoked by the nominating body; or is otherwise unable or unfit to discharge his functions as a member of the Board of Governors .

Where the office of a member of a Board of Governor becomes vacant by reason other than the expiry of the period of that office, the Cabinet Secretary, in accordance with the provisions of this TVET Act no. 29 of 2013 appoint another person to replace the member.

A member of a Board of Governors may at any time resign by giving notice in writing to the cabinet Secretary and shall cease to be a member of the Board from the date specified in the notice or, if no date is specified, from the date of the receipt by the Cabinet Secretary or the Secretary to the Board

### **Roles and Responsibilities of the BoG**

1. Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource mobilization practices including recruitment, reward, retention, motivation and development of the Institution's staff;

2. Oversee the Institution's compliance with legal, statutory and regulatory requirements relating to finance, infrastructure and resource mobilization matters as well as compliance with ethical and quality standards adopted by the Institution.
3. Receive and consider proposals and reports on matters relating to finance, development projects and resource mobilization in the Institution and its campuses.
4. Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of the Institution.
5. To oversee the development and administration of policies, procedures and strategies that will promote high quality education, research and training across the Institution;
6. To guide the Institution to meet its strategic aims and objectives in relation to education, research and training activities;
7. To develop high quality education courses and other activities to promote good practice within the relevant fields.
8. Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
9. Oversee the implementation of developed policies, procedures and strategies that will promote effective and efficient management systems within the Ugunja Technical and Vocational College.
10. Provide an independent review of the Institutions' reporting functions to ensure the integrity of the financial reports.
11. Ensure the Institution effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.
12. Provide oversight of the implementation of accepted audit recommendations and consider reports on matters relating to audit.
13. Provide strong and effective oversight of the institution's internal audit function

#### **Board Remuneration**

This was guided by the financial ability of the institution and approved as shown below:

- Transport : Kshs 3000 for all members,

Sitting allowance:

- Kshs : 12,000.00 for Chairman
- Kshs 10,000.00 for all other members other

#### **Succession Plan and Term of office:**

Unless the appointment of the chairperson or a member of a Board of Governors is earlier terminated under this Act, a person appointed as chairperson or as a member shall hold office for a term of three years from the date of appointment and shall be eligible for re-appointment for one further term of a period not exceeding three years.

#### **Board Performance in meetings**

The board was appointed in January 2020, inaugurated on 12<sup>th</sup> February 2020 and inducted in November 2020.

The first quarter FY 2021-22 Administration Finance and Infrastructure committee meeting was held on 8/7/21 to deliberate on the fourth quarter FY 2020-21 reports and all the members attended.

The first quarter FY 2021-22 Audit and Risk Management Committee meeting was held on 9<sup>th</sup> July 2021 to discuss the FY 2021-2 fourth quarter FY 2020-21 Audit Report

The full Board met on July 12<sup>th</sup> 2021 to receive, discuss and adopt recommendations from the 4<sup>th</sup> quarter reports of three Board committees and all members attended.

In August 6th and 7th 2021, the full board met to have a final input -stake holder engagement in order to have the strategic plan finalised where all members attended except for the Chairman who was indisposed.

A Special virtual full BoG meeting was held on 28<sup>th</sup> September 2021 to discuss, approve the enrolment of 497 students at Ugunja Technical and Vocational College and all the members attended.

The board committees met in July 2021 as follows to deliberate on the second quarter FY 2020-21 reports:

The second quarter FY 2021-22 Administration Finance and Infrastructure committee meeting was held on 6<sup>th</sup> OCTOBER 2021 to discuss the FY 2020-2021 Annual financial report and financial statements for the year ended 30th June 2021 and the first quarter FY 2021-2022 financial first quarter reports and Financial Statement human resource and project status.

The first quarter FY 2021-22 Education, Research and Training meeting was held on 1<sup>st</sup> October 2021 to discuss the FY 2021-2022 first quarter report on matters Education, Research and Training and all members attended.

In the second quarter, the first quarter FY 2021-22 Audit and Risk Management Committee meeting was held on 4<sup>th</sup> October 2021 to discuss the FY 2020-2021 first quarter FY 202-22 Audit Report

The full Board met on October 8th 2021 to receive, discuss and adopt recommendations from the 4th quarter reports of three Board committees and all members attended.

In 12th October 2021, the Special AFI committee meeting held to discuss the service delivery issues at the D/Principal Office and trainee case Elizabeth Awour Owino pregnancy issues. On the 14th October 2021 full BOG met to receive the report of AFI –BOG committee meeting and resolved on the issue where all members attended.

Afi –BOG committee held one interview recruited session.

In the third quarter FY2021-22 the ERT-BOG committee met on 03/01/2022, all members attended; AFI BOG committee met on 10/01/2022.and all members attended; on 10/01/2022 ARM-BOG committee met and all the members attended.

The FULL BOG met on 13th January 2022 all members attended on 4th February 2022, a special BOG meeting was held to conclude the discipline case of a trainer for onward referral to the Ministry of Education.

In the fourth quarter FY2021-22 the ERT-BOG committee met on 03/04/2022, all members attended; AFI BOG committee met on 11/04/2022.and all members attended except for the county director on 7/04/2022 ARM-BOG committee met and all the members attended.

#### **Summary of annual Board Attendance FY 2021/2022**

	<b>Name</b>	<b>Board Position</b>	<b>Board attendance %</b>
1.	Eng .Peter Oloo Okaka	CHAIRMAN	100%
2.	Mrs. Audrey Odhiambo	Secretary	100%
3.	Eng .Vincent Oyieng Ochieng	Member	100%
4.	Eng Jane Pauline Maeri Mito	Member	100%
5.	Dr. Rozilla Adhiambo	Member	100%
6.	Mr. Tala Mdwas	Member	75%
7.	Mr. Sospeter Ogada Omondi	Member	100%
8.	Mr. Felix Otieno Okoth	Member	100%
9.	Mr. Karilus Ben Umija	Member	100%
10.	Mr Joseph Sunguti	Member	83%

The FULL BOG met on 19th April 2022 all members attended.

For all the meetings held there was need to declare the nature of conflict of interest if any.

The BOG completed the process of ensuring development and approval of the following 6 key policy documents the approval of the FY 2022/23 budgetary estimates and procurement plan: . Road safety Policy 2021, Alcohol and Drug Abuse (ADA) Policy .Gender and development Policy 2021, HIV and AIDS Policy 2021, Intellectual Rights Policy 2021 and Science Technology and I Strategy.

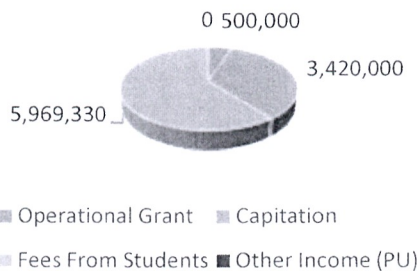
The board was appraised and performance was exemplary.

### VIII. MANAGEMENT DISCUSSION AND ANALYSIS

The college continued its operations by admitting, training and assessing all the trainees in the in FY 2021/2022. During the term, the college managed to the register 178 candidates for the KNEC July Series and November 2022 Series exams.

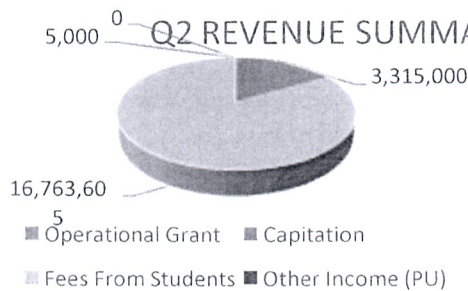
in the first quarter 2021/2022 the institution received of the fourth quarter capitation grant FY 2020/2021 on July 30th July 2021 capitation worth Ksh. 3,420,000.00 for 456 trainees and recurrent Grant worth KSH 500,000.00. The validated, approved enrolment data of our students was submitted to the Ministry of Education on September 30th, 2021 that was the basis for disbursement of capitation for quarter One and quarter two FY 2021/2022. The KUCCPS validated 442 students for Quarter one FY 2021/2022 funding. The first quarter capitation worth Kshs. 3,315,000.00 was disbursed trainees on 23rd November 2021. The second quarter Capitation Kshs. 3,315,000.00 was disbursed on 2nd March 2022 for 442 trainees. In February 2022 the validated, approved enrolment list of our students submitted to the Ministry of Education, was the basis for disbursement of third Quarter capitation grant for worth KH 3,757,500.00 for 501 trainees which was wired to our account on June 3rd 2022.

#### Q1 REVENUE SUMMARY



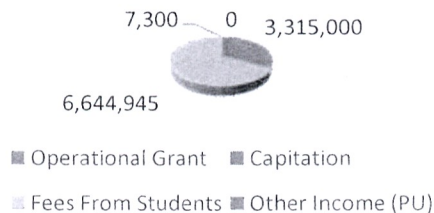
No.	REVENUE SOURCE	AMOUNT
1	Operational Grant	500,000
2	Capitation	3,420,000
3	Fees From Students	5,969,330
4	Other Income (PU)	0
	<b>TOTAL</b>	<b>9,889,330</b>

#### Q2 REVENUE SUMMARY



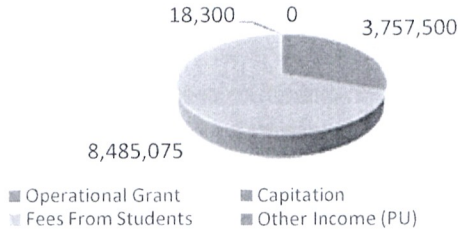
No.	REVENUE SOURCE	AMOUNT
1	Operational Grant	0
2	Capitation	3,315,000
3	Fees From Students	16,763,605
4	Other Income (PU)	5,000
	<b>TOTAL</b>	<b>20,083,605</b>

#### Q3 REVENUE SUMMARY



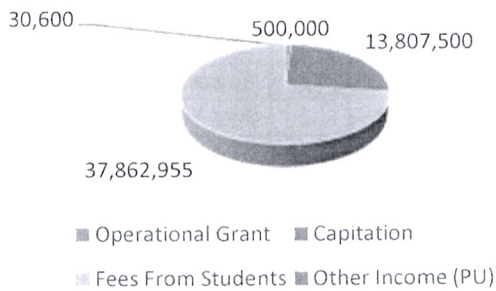
No.	REVENUE SOURCE	AMOUNT
1	Operational Grant	0
2	Capitation	3,315,000
3	Fees From Students	6,644,945
4	Other Income (PU)	7,300
	<b>TOTAL</b>	<b>9,967,245</b>

### Q4 REVENUE SUMMARY



No.	REVENUE SOURCE	AMOUNT
1	Operational Grant	0
2	Capitation	3,757,500
3	Fees From Students	8,485,075
4	Other Income (PU)	18,300
	<b>TOTAL</b>	<b>12,260,875</b>

### ANNUAL REVENUE SUMMARY

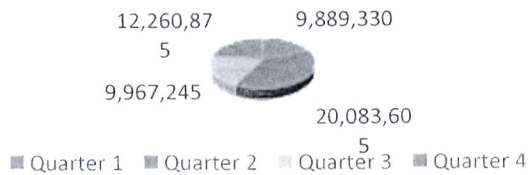


No.	REVENUE SOURCE	AMOUNT
1	Operational Grant	500,000
2	Capitation	13,807,500
3	Fees From Students	37,862,955
4	Other Income (PU)	30,600
	<b>TOTAL</b>	<b>52,201,055</b>

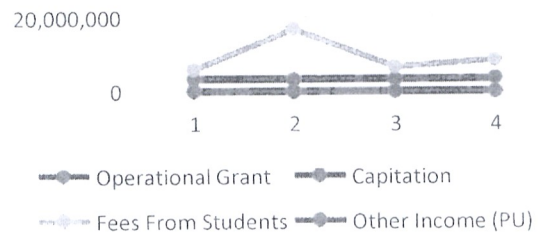
(Please note that the Helb Funding has been factored in together with fees from students)

The summary of the quarterly revenue is as illustrated below

### Quarterly Revenue Summary



### Revenue analysis per Quarter



No.	QUARTERLY REVENUE	AMOUNT
1	Quarter 1	9,889,330
2	Quarter 2	20,083,605
3	Quarter 3	9,967,245
4	Quarter 4	12,260,875
	<b>TOTAL</b>	<b>52,201,055</b>

### ANNUAL REVENUE SUMMARY FOR FY 2021/2022

ANNUAL REVENUE SUMMARY

No.	REVENUE SOURCE	AMOUNT
1	Operational Grant	500,000
2	Capitation	13,807,500
3	Fees From Students	37,862,955
4	Other Income (PU)	30,600
	<b>TOTAL</b>	<b>52,201,055</b>

In summary, the institution received first, second and third quarter FY2021/2022 capitation grant worth KSH 10,387,500.00, HELB funding worth KSH 2,326,000.00 and HELB Bursaries worth KSH 55,000.00. Other bursaries received were worth k.sh .1,992,000.00. During the four quarters FY 2021-2022 the college enrolment was five hundred and fifty students (550). Out which 442 trainees received quarter one and quarter two capitations while five hundred and one (501) trainees received quarter three capitation grant. Quarter four capitation was not received.

Given the socio - economic status of the community around the college, there was poor fees payment trend by the students forcing them to rely majorly on the HELB and CDF bursary to help bridge the fees of Kshs. 26,420.00 and the exam fees.

The budget projection for the Fiscal year 2021-2022 was Kshs. 55,625,560.00.00 while the actual collection was Kshs. 21,629,010.00

This was caused by:

- i. Reduction in grant from KSHS 17,000,000.00 to Nil.
- ii. Late disbursement of both the first (November) and Second (March) quarter capitation and third (June) quarter grants.
- iii. Lack of fourth quarter capitation grant
- iv. The student's fees arrears reduced from Ksh.3,333,020.00 to Ksh. 2,824,975.00 this accumulation was due to the fact that :
  - a. the third quarter capitation disbursement had been received but the fourth Quarter capitation grant had not been disbursed by the end of financial year ended 30th June 2022.
  - b- Some students admitted in September 2021 had not received both first, second and third capitation and bursary by the end if the
  - c- The first, second and third Quarter capitation had been charged in the students account.
  - d- Further HELB loan and HELB bursary amounting to KSH.2,326,000.00 and Ksh 55,000.00 respectively had been credited in the beneficiary account.

The major risks facing the institution is lack of sufficient amount of funds to meet budgetary obligations.

Thus we focused on both training, TVET fair and co-curricular (athletics and ballgames) activities in execution of the budget.

On infrastructure, the college managed to complete the walk ways and the two number classes. The drive way and implementation of power uprating system which was partially taken up by the Ministry of Education in July 2021 were still ongoing.

In compliance with the statutory requirements, the college submitted all the monthly statutory payments i.e. Kenya Revenue Authority (KRA), National Social Security Fund (NSSF), National Hospital Insurance Fund (NHIF) including annual Regulatory Public Health inspections as prescribed.

The college also had a challenge on trainers, in electrical and electronics department, Building and civil engineering, food and beverage, hair dressing and beauty therapy, social works and supply chain management departments, but

that is currently being addressed by the Ministry of Education and Public Service Commission. We received one intern in this quarter who was assigned training duty in the liberal department. One trainer in building and Civil Engineering is currently pursuing pedagogical training at Kenya Technical Trainers College. If the inadequacy of trainers is addressed fully, we shall reduce the cost of hiring BOG trainers. This money would be ploughed into other areas that need improvement like college library which is yet to be operationalized.

We were roped into the first ever 18th cycle, whose evaluation was completed on 30th September and the institution was rated at a composite score of 3.1602 which is was rated as good. We are currently also on the FY @ 2022/2023 19th cycle of performance contracting submitting the quarterly reports to the relevant agencies in the prescribed format.

We have also put in place an elaborate procurement plan for the financial year 2021-2022. This will regularize our expenditure and improve on the institution's financial stewardship.

The budgetary estimates for the FY 2022/2023 and procurement plan were prepared approved and submitted for implementation.

## IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

Ugunja Technical and vocational college exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives).

### **Sustainability Strategy and Profile**

The Management ensured that on a quarterly basis, enrolment increased and returns on trainee population is submitted to the Ministry of Education to assure of progressive funding. Further, enhanced sensitization on HELB and Bursary funding for the trainees as sustainable funding models. The Board of Governors proposed to the Honourable Member of Parliament for Ugunja Constituency on the need for support in putting up more training rooms with positive response. The board approved the Proposals for the Production Units as well as opening broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure

### **Environmental Performance**

The management ensured that grass and trees were planted to reduce soil erosion and flowers improve the aesthetic outlook of the institution. Further all the anthills were demolished to ensure that trees were not destroyed by the termites.

### **Environmental policy**

The college has a draft Waste management policy which gives provision on how waste is managed at the institution.

### **Employee Welfare**

The College has human Resource Policy and the Human Resource Procedure Manual that guides on code of conduct, recruitment, schemes of service, and systems of performance management. The reviewed policy ensures that the gender rule, stake holder engagement, skills and career development is observed. The institution is in compliance with the tenets of the Occupational Safety and Health Act of 2007, (OSHA).

### **Market place practices-**

The college has put in place measures to ensure

- a. Responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors in the following ways.

Most of the purchases within the organization go through request for quotations which ensures that all the prequalified suppliers have an equal opportunity of quoting for prices of products, then fair evaluation is conducted and the lowest bidder.

Applicable threshold: Goods and services Ksh. 3,000,000 per RFQ; Works Ksh. 5,000,000

Accounting Officer appoints both an ad hoc opening committee and ad hoc evaluation committee.

The requests for quotations are given to as many persons as necessary but not less than three persons from the list of registered suppliers. At least three persons submit their quotations prior to evaluation this process promotes competition.

The Procurement officer ensures that debriefing letters are sent to all concern parties.

- b. The organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices. The organization have a credit policy of 30 days, all suppliers are paid within 30 days upon delivery of goods, issuance of delivery note and Invoice.

There is a policy statement which indicate that in case of a dispute, resolution shall be through litigation, Arbitration, mediation or negotiation.

- c. The college maintains ethical and responsible marketing practices marketing and advertisement by ensuring that the principles of procurement are followed i.e Transparency, Accountability, Competition. Tender advertisements are made in at least two public viewed portals which are Public Procurement Information Portal (PPIP) and the college website.

The college promotes education by:

1. Increasing accessibility through strategic marketing that has led to exponential increase in the number of trainees.
2. enhancing relevance by offering market driven courses and having partnerships with the industry
3. Quality training through professional delivery of appropriate knowledge, skills and attitudes that has led to improvement of our percentage pass in the Examinations.

The college prepared its teams for sports and participated for the first time ever in the activities to the National level an achievement that was exemplary.

The college had trainees going for attachment so as a requirement of partial fulfilment of the course by ensuring that they are exposed to the industry for real experience thereby enhancing labour relations for future placements of interns, apprentice and even Job placements.

Continuous Professional Development is important and the management supported all officers who were pursuing continuous professional development.

Our Ablution facilities are segregated for staff and trainees and further for male and female. They are continuously cleaned. We have complied with the public health requirement and will improve on the no of ablution blocks for trainees and for those with disability.

### **Corporate Social Responsibility / Community Engagements**

It's worth noting that during the financial year 2021-2022 ended 30th June 2022, the college carried out a number of outreach programmes to the community around the college as follows:

Environmental conservation – The College did away with the anthills within and in the surrounding areas in order to tend to the planted trees given that the area is termite infested restore forest cover and the indigenous trees brought down by termites.

Water – Due to water shortage in the area, the college allows the surrounding households to draw water from its drilled borehole at during specified times of the day (from 10:00-5:00pm daily). (Appendix 2) The water source was drilled courtesy of the Ugunja Constituency Development Fund which also sponsored the building of a two number classroom. The college thus enjoys a mutual relationship with the community through such initiatives.

## X. REPORT OF THE BOARD OF GOVERNORS

The BOG has presented the FY 2021/2022 financial report together with the FY2021/2022 audit report.

The Principal activity of the college is training and research in Technical and Vocational Education.

### Examination results

The college registered 178 candidates for of the KNEC exams for the period ended 30th June 2022 was. As follows:  
July 2021 Series: the results of the 84 candidates who sat for the KNEC July series were released and analysed the institution managed to achieve a 40.51% percentage pass.

DEPARTMENT	PERCENTAGE PASS		
	JULY 2021	NOVEMBER 2021	AVERAGE
ICT DIPLOMA	50.00	18.75	68.75
CERTIFICATE	50.00	20.0	50.20
HOSPITALITY FOOD AND BEVERAGE	90	100	190
HAIR DRESSING AND BEAUTY THERAPY	73.5	100	173.5
ELECTRICAL ENGINEERING DIPLOMA	25.00	0	25
CERTIFICATE	100.00	100	200
MECHANICAL ENGINEERING DIPLOMA	38.46	0	38.46
CERTIFICATE	20.00	25	45
BUILDING AND CIVIL ENGINEERING DIPLOMA	25.00	71.43	96.43
CERTIFICATE	75.00	75	150
SOCIAL WORK DIPLOMA	100.00	100	200
CERTIFICATE	0	0	0
SUPPLY CHAIN MANAGEMENT DIPLOMA	0.00	0	0.0
CERTIFICATE	0.00	0	0.0
<b>OVERALL</b>	<b>40.51%</b>	<b>46.67%</b>	<b>43.59%</b>

November 2021 Series: the second lot of 94 candidates sat for their KNEC November series exam and the institution managed to achieve a 46.67% in improvement from 40.51% an improvement of 6.16%

However the heads of departments set targets and recommendation as a measure to improve performance.

As a way of improving performance, the heads of departments set have targets and recommendations.

### Board of Governors

The members of the Board who served during the third Quarter FY 2022-2023 are shown on page (v-ix) and all were duly appointed by the Cabinet Secretary.

### AUDITORS

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

By Order of the Board

**Corporate Secretary**  
**Nairobi**

Date: .....

## XI. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect to Ugunja Technical and Vocational College, to give a true and fair view of the state of affairs of the College at the end of the financial period and the operating results of the College for that period.

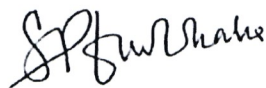
Therefore, the Board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the period ended 30th June 2022.

These responsibilities include:

- Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period
- Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity
- 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
- Safeguarding the assets of the college Selecting and applying appropriate accounting policies; and 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 section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013. 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 period ended march 31st , 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.

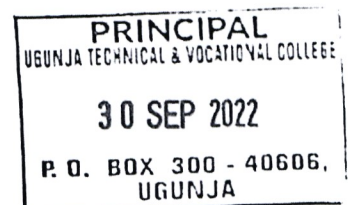
Nothing has come to the attention of the Board members to indicate that the college will not remain a going concern for at least the next twelve months from the date of this statement the College's financial statements were approved by the Board on 13/04/2023 and signed on its behalf by:



CHAIRMAN



ACCOUNTING OFFICER /PRINCIPAL



## XII. REPORT OF THE BOARD OF GOVERNORS

The BOG has presented their draft FY 2021/2022 financial report awaiting the audit report.

The Principal activity of the college is training and research in Technical and Vocational Education.

### **Examination results**

The college registered 178 candidates for of the KNEC exams for the period ended 30th June 2022 as follows:  
: the results of the 84 July 2021 Series candidates was 40.51% percentage pass.

November 2021 Series: the second lot of 94 candidates sat for their KNEC November series exam and the institution managed to achieve a 46.67% in improvement from 40.51% an improvement of 6.16%

This reflected an annual average percentage pass of 43.59

However the heads of departments set targets and recommendation as a measure to improve performance.

The


### **Board of Governors**

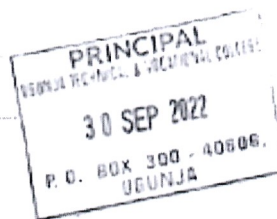
The members of the Board who served during the YEAR FY 2021-2022 are shown on page (v-ix) and all were duly appointed by the Cabinet Secretary.

### **AUDITORS**

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

By Order of the Board

  
Secretary of the Board  
Nairobi



Date: 30/09/2022

### XIII. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect to Ugunja Technical and Vocational College, to give a true and fair view of the state of affairs of the College at the end of the financial period and the operating results of the College for that period.

Therefore, 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 ended 30th June, 2022.

These responsibilities include:

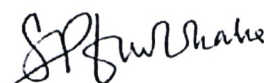
- Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period
- Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity
- Designing, implementing and maintaining 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
- Safeguarding the assets of the college Selecting and applying appropriate accounting policies; and 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 section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013. 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 period 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 Statement.

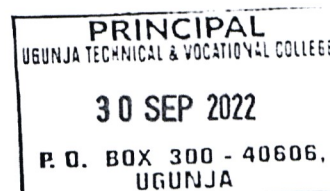
The College's financial statements were approved by the Board on 30/09/2022 and signed on its behalf by:



CHAIRMAN



ACCOUNTING OFFICER /PRINCIPAL



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

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Ugunja Technical and Vocational College set out on pages 1 to 21, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial performance, the statement of changes in net assets, statement of cash flows and the statement of comparison of

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

In my opinion, except for the effect of the 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 Ugunja 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 Vocation Education Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracy in the Financial Statements**

The statement of changes in net assets reflects total reserves balance of Kshs.82,359,933 as at 30 June, 2022. This amount however, differs with the reserves and capital fund balance reflected in the statement of financial position of Kshs.8,261,031 and Kshs.68,000,043 totalling to Kshs.76,261,074 resulting to un reconciled variance of Kshs.6,098,859. Further, the statement of financial position reflects payment received in advance (prepaid fees) of Kshs.4,845,400 which differs with Kshs.2,082,340 in Note 35 to the financial statements resulting in an unexplained variance of Kshs.2,763,060.

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

#### **2. Irregularities in Property, Plant and Equipment**

The following anomalies were noted under property, plant and equipment.

- (i) The statement of financial position reflects property plant and equipment balance of Kshs.64,099,626 while Note 31 to the financial statements balance reflects Kshs.63,871,276 resulting to a variance of Kshs.228,350 which was not explained or reconciled.
- (ii) Further and as previously noted, the opening balance of property, plant and equipment for 2019/2020 ought to have been Kshs.62,628,878 instead of the reflected balance of Kshs.66,109,703 resulting in an overstatement of Kshs.3,480,825. Further, the opening balance as at 1 July, 2021 is reflected as Kshs.61,506,409 which is at variance with previous audited financial statements closing balance of Kshs.61,253,532 resulting to a variance of Kshs.252,877.
- (iii) In addition, the basis of valuation of the assets was not provided and the balance excludes value of assets received from the Ministry of Education and a lawn mower purchased at a cost of Kshs.50,000.
- (iv) In addition, the statement of financial performance reflects depreciation of Kshs.3,819,604 which is at variance with amount in Note 31b of Kshs.3,792,398 resulting in an unexplained variance of Kshs.27,206.

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

### **3. Outstanding Student Debtors**

The statement of financial position and as disclosed in Note 27 to the financial statements reflects receivables (student debtors) totalling to Kshs.4,883,147. Review of the ageing analysis revealed that Kshs.6,676,494 has been outstanding for more than one year. No provision for bad debts has been made in the financial statements.

In the circumstances, the accuracy and recoverability of student debtors of Kshs.4,883,147 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. The report on progress on follow-up of the auditor's recommendations in the financial statements for the year under review indicates that some of the issues had been resolved and work to resolve the remainder was ongoing as at 30 June, 2022 and the actual status of all the issues will be confirmed after they are discussed by the Oversight Committee.

#### **2. Budgetary Control and Performance**

The summary statement of comparison of budget and actual reflects final receipts budget and actual on comparable basis totalling to Kshs.67,538,100 and Kshs.35,653,167 respectively, resulting to an under funding of Kshs.31,884,933 or 47% of the budget. Similarly, the College spent Kshs.30,559,119 against an approved budget of Kshs.42,731,731 resulting in an under-expenditure of Kshs.12,172,612. Further, the column of budget in the statement of comparison of budget and actuals was not balanced.

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **Failure to Gazette Appointments of Board of Governors**

As previously reported, review of the Board and Chief Executive Officers' terms of service and entitlements revealed that appointment of the Members of the Board was not done by notice in the official Gazette contrary to Section 8(13) of the Technical and Vocational Education and Training Act, 2013 which states that all appointments under this section shall be by notice in the Gazette. Failure to give notice of Board appointments in the Gazette may result in Board members serving in multiple Boards which is contrary to Board regulations.

In the circumstances, the appointing authority was in breach of law.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for 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 overall governance were not effective.

### **Basis for Conclusion**

#### **1. Gaps in Staff Establishment**

Review of the records maintained by the college revealed that although there was an approved and harmonized staff establishment. The payroll records revealed that the college has a total of 43 staff comprising of 21 No. of training staff posted by Public Service Commission, 12 No. posted by Board of Governors and 10 non-teaching staff instead of 61 No. of training staff and 48 No. of non-teaching staff resulting to under staffing

of staff especially in finance department with only one employee who does voucher processing, payment and postings.

In the circumstances, the College may not be able to meet its mandate and objectives effectively and efficiently while the under staffing may result to weak internal controls due lack of segregation of duties.

## **2. Lack of Internal Audit Function**

As reported in the previous year, the College did not have in place a functional internal audit unit to appraise the management activities and operations.

In the circumstances, the existence of an oversight alternative plan to ensure proper monitoring could not be confirmed.

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

### **Responsibilities of 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 control, risk management and overall governance.

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

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 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 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 the policies and procedures may deteriorate.

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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

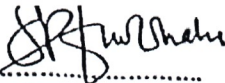
**Nairobi**


**26 June, 2023**

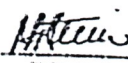
UGUNJA TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2022

Description	Notes	2021/2022	2020/2021
		Kshs	Kshs
<b>Revenue from non -exchange transactions</b>			
Operation Grant	6	500,000.00	0.00
Capitation Grant	28	13,807,500.00	8,437,500.00
<b>Revenue from exchange transactions</b>		<b>14,307,500.00</b>	<b>8,437,500.00</b>
Rendering of service-Fees from students	10	24,711,888.00	14,960,284.00
Other income – production unit	14	30,600.00	123,000.00
<b>Revenue from exchange transaction</b>		<b>24,742,488.00</b>	<b>-</b>
<b>Total Revenue</b>		<b>39,049,988.00</b>	<b>23,520,784.00</b>
<b>Expenses</b>			
Use of goods and services	15	19,548,165.00	9,611,930.00
Employee costs	16	5,103,668.00	3,288,865.00
Board of governors' costs	17	1,287,000.00	1,215,000.00
Repair maintenance and improvements	19	336,520.00	1,097,907.00
Contracted services (security)	20	694,000.00	585,000.00
Depreciation and amortization expenses	31 b	3,819,604.00	3,063,378.00
<b>Total expenses</b>		<b>30,788,957.00</b>	<b>18,682,080.00</b>
<b>Surplus/deficit for the period</b>		<b>8,261,031.00</b>	<b>4,838,704.00</b>

The notes set out on pages 6 to 16 form an integral part of the Annual Financial Statements.

  
.....  
Chairman of Board  
DATE.30/09/2022

  
.....  
Finance Officer  
ICPAK NO. 29233  
DATE.30/09/2022

  
.....  
Principal  
DATE.30/09/2022

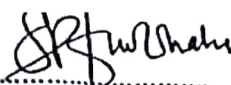
FINANCE OFFICE  
UGUNJA TECHNICAL & VOCATIONAL COLLEGE  
30 SEP 2022  
P. O. BOX 300 - 40606,  
UGUNJA


PRINCIPAL  
30 SEP 2022  
P. O. BOX 300 - 40606,  
UGUNJA

XVI. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2022

Description	Notes	2021/2022	2020/2021
		Ksh	Ksh
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	26	9,950,171.00	7,290,816.00
Receivable from exchange transactions	27a	4,883,147.00	5,368,170.00
Inventories	29	2,962,989.00	352,270.00
<b>Total current Assets</b>		<b>17,796,307.00</b>	<b>13,011,256.00</b>
<b>Non-current assets</b>			
<b>Property, Plant Equipment</b>	<b>31</b>	<b>64,099,626.00</b>	<b>58,190,154.00</b>
Intangible Assets	32	464,000.00	-
<b>Total Assets</b>		<b>82,359,933.00</b>	<b>71,201,410.00</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transaction	34	1,253,459.00	2,603,021.00
Payment received in advance (prepaid fees)	35	4,845,400.00	5,437,050.00
<b>Total liabilities</b>		<b>6,098,859.00</b>	<b>8,040,071.00</b>
Reserves		8,261,031.00	(4,838,704.00)
Capital Fund		68,000,043.00	68,000,043.00
<b>Total net assets and liabilities</b>		<b>82,359,933.00</b>	<b>71,201,410.00</b>

The Financial Statement set out on page 1 to 5 was signed on behalf of the College Board of Governors by:

  
.....  
Chairman of Board  
DATE.30/09/2022

  
.....  
Finance Officer  
ICPAK NO. 29233  
DATE.30/09/2022

  
.....  
Principal  
DATE.30/09/2022

FINANCE OFFICE  
UGUNJA TECHNICAL & VOCATIONAL COLLEGE  
30 SEP 2022  
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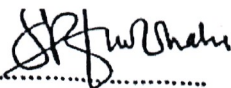
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UGUNJA TECHNICAL & VOCATIONAL COLLEGE  
30 SEP 2022  
P. O. BOX 300 - 40606,  
UGUNJA


XVII. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 TH JUNE 2022

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
<b>At July 1, 2020</b>	-	-	-	68,000,043.00	68,000,043.00
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	4,838,704.00	-	4,838,704.00
Capital/development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
<b>At June 30, 2021</b>	-	-	4,838,704.00	68,000,043.00	72,838,747.00
<b>At July 1, 2021</b>	-	-	4,838,704.00	68,000,043.00	72,838,747.00
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	8,261,031.00	-	8,261,031.00
Capital/development grants received during the year	-	-	-	1,260,155.00	1,260,155.00
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
<b>At June 30, 2022</b>	-	-	13,099,735.00	69,260,198.00	82,359,933.00

XVIII. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022

Descriptions	Notes	2021/22 Ksh	2020/2021 Kshs
<b>Cash flow from operating activities</b>			
<b>Receipts</b>			
Capitation-operation Grant	6	500,000.00	-
Capitation grant	28	13,807,500.00	8,437,500.00
Rendering of services-Fees from students	10	24,711,888.00	<b>14,960,284.00</b>
Other income- production unit	14	30,600.00	<b>123,000.00</b>
<b>Total Receipts</b>		<b>39,049,988.00</b>	<b>23,520,784.00</b>
<b>Payment</b>			
Use of goods and services	15	19,545,715.00	9,611,930.00
Employee cost	16	5,103,668.00	3,188,865.00
BoG cost	17	1,287,000.00	1,215,000.00
Repair and maintenance	19	336,520.00	1,097,907.00
Contracted service	20	694,000.00	585,000.00
<b>Total payments</b>		<b>26,966,903.00</b>	<b>15,618,702.00</b>
<b>Net cash flow from operating activities</b>	43	<b>5,480,176.00</b>	<b>7,902,082.00</b>
<b>Cash flow from investing activities</b>			
Purchase of property plant and intangible Assets	32	(464,000.00)	8,441,974
<b>Net cashflow from used in investing activities</b>		<b>(464,000.00)</b>	
<b>Net cash flow from financing activities</b>		-	--
<b>Net decrease /(increase) in cash and cash equivalent</b>		<b>2,659,355.00</b>	<b>3,214,839.00</b>
Cash and cash equivalent at July 2021	26	7,290,816.00	4,075,977.00
Cash and cash equivalent at 30 June 2022	26 a	9,950,171.00	7,290,816.00

  
.....  
Chairman of Board  
DATE.30/09/2022

  
.....  
Finance Officer  
ICPAK NO. 29233  
DATE.30/09/2022

  
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XIX. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR  
ENDED 30 TH JUNE, 2022

DESCRIPTION	Original budget	ADJUSTMENTS	Final budget 2021-2022	Actual on Comparable basis	Performance difference	UTILIZATION DIFFERENCE
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
	Kshs		ksh	Ksh	Ksh	(%)
<b>Revenue</b>						
Government Development grants	17,000,000.00	0.00	17,000,000.00	0.00	(17,000,000.00)	0%
Government operation grant capitacion	2,000,000.00	0.00	2,000,000.00	500,000.00	(1500,000.00)	-25%
Rendering of service	17,940,000.00	0.00	17,940,000.00	13,807,500.00	(4,132,500.00)	-23.04%
Other income-production unit	30,383,100.00	0.00	30,383,100.00	24,711,888.00	(5,671,212)	-18.6%
	215,000.00	0.00	215,000.00	30,600.00	(84,400.00)	-85.76%
<b>Total income</b>	<b>67,538,100.00</b>	<b>0.00</b>	<b>67,538,100.00</b>	<b>35,653,167.00</b>	<b>(31,884,933.00)</b>	
<b>Expenses</b>						
Use of goods and services	27,817,315.00	0.00	27,817,315.00	19,307,715.00	8,509,600.00	-24.54%
Employee costs	6,139,200.00	0.00	6,139,200.00	5,103,668.00	1,035,532.00	16.86%
Board of Governors Costs	2,080,000.00	0.00	2,080,000.00	1,287,000.00	793,000.00	38.13%
Repair Maintenance &Improvement	2,865,000.00	0.00	2,865,000.00	336,520.00	2,528,480.00	85.9%
Contracted Service	900,000.00	0.00	900,000.00	694,000.00	206,000.00	22.88%
Depreciation On PPE	1,890,272.00	0.00	3,830,216.00	3,830,216.00	947838.00	30.9%
<b>Total Expenditure</b>	<b>41,691,787.00</b>	<b>0.00</b>	<b>42,731,731.00</b>	<b>30,559,119.00</b>	<b>12,172,612.00</b>	<b>29.20%</b>
<b>Deficit/(Surplus )For The Period</b>	<b>25,846,313.00</b>	<b>0.00</b>	<b>24,806,369.00</b>	<b>4,690,968.00</b>	<b>(19,712,321.00)</b>	<b>23.79%</b>

The notes of the above statement of comparison of budget and actual amounts are given below.

1. The college received the first, second and third quarter disbursement through the mentor institution (Bondo technical training institute). The received was used to support the daily operations of the college in accordance with the approved budget. The variation has been caused by reduction in government funding of college operation grants caused by introduction of capitacion fees which always delayed.
2. There is variation in the projected revenue and actual revenue received during the year because of the reduced no of students from 450 projected and 350 students that joined the college from May-September term.
3. During preparation of the budget, the college had envisaged the possibility of having other source of internally generated revenue hence the estimates was included in the budget.

4. In the budget there was a provision of 1,170,000.00 for BOG meetings .The B.O.G member had their quarterly meeting and also additional B.OG committee was added making the B. O.G cost to go high to 1,215,000.00.
5. The contracted security service had been taken care by the college from May 2020 to June 2021 which amounted to 540,000.00 from the budgeted 720,000.00

## XX. NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Ugunja Technical and Vocational College is established by and derives its authority and accountability from TVET Act 2015. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College’s principal activity is Training.

### 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 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 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 (Continued)

- i. **New and amended standards and interpretations were in issue and effective in the year ended 30 June 2022**

Standard	Effective date and impact:
IPSAS 42: Social Benefits	<p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.</li> </ol>

Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2022:</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>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.</li> </ul>
Other Improvements to IPSAS	<p><b>Applicable: 1st January 2021:</b></p> <ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>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.</li> <li>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.</li> </ul>

## ii. Early adoption of standards

The college entity adopted the amended standards in year 2021-2022.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Revenue recognition

#### i) Revenue from non-exchange transactions

##### Transfers from other government entities

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

the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

#### **b) Budget information**

The original budget for FY 2021/2022 was approved by the Board on 13/04/2021. Subsequent revisions or additional appropriations were not made to the approved budget in accordance with specific approvals from the appropriate authorities. There were no additional appropriations added to the original budget by the College in order to conclude the final budget. There was some review done in order to take care of the Covid 19 pandemic, new board committee, and projects.

The College's budget is prepared on the same 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 as well as the budget is prepared on accrual basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, was then presented in the statement of comparison of budget and actual amounts.

#### **Taxes**

##### **Current income tax**

The college is exempted for paying taxes as per the schedule chapter 501 C 3 internal revenue code 501 of income Tax Act, 2012

##### **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.

##### **Investment property**

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

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

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

### **Property, plant and equipment**

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

The college used the following depreciation rates on its assets:

<b>ASSETS</b>	<b>RATE</b>
BUILDING	5%
BULDING (TEMPORARY ERECTION)	40%
FURNITURES AND FITTINGS	10%
COMPUTER AND ACCESSORIES	40%

### **Leases**

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

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

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

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

### **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

### **Research and development costs**

The college expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the college 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.

#### **4. 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 college determines the classification of its financial assets at initial recognition.

##### **Loans and receivables**

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

##### **Held-to-maturity**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the college 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 college assesses at each reporting date whether there is objective evidence that a financial asset or college 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 college 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.

### **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 college.

### **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 college in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

### **Nature and purpose of reserves**

The college has not created and maintained reserves in terms of specific requirements.

### **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.

### **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.

### **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.

### **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 Board of Governors, the principal and senior managers.

### **Service concession arrangements**

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

### **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.

#### **Comparative figures**

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

#### **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, 2021.

### **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 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:

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**

Provisions were raised and management determined an estimate based on the information available.

Additional disclosure of these estimates of provisions is included in note 16.

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. The college has provided for cost of assets a waiting valuation by the Government experts. This provision was based on the prevailing market rates.

## 6. OPERATION GRANT

Description	2021/2022	2020/2021
	kshs	kshs
<b>Unconditional grants</b>		
Transfer from national government (minister education)	500,000.00	-
<b>Total government grants and subsidies</b>	500,000.00	-

## 10. RENDERING OF SERVICES

Description	2021/2022	2020/2021
	kshs	Kshs
Tuition	5,661,811.00	7,530,490.00
Tuition And Other Related Charges Receivable	0.00	7,429,794.00
Mentor Institution (Bondo And Siaya Institute of technology)	0.00	-
Activity Fees	914,150.00	-
Examination fees	3,782,790.00	-
Library fees	349,760.00	-
Registration fees	403,850.00	-
Electricity water and conservancy	1,717,940.00	-
Administration cost	2,568,192.00	-
Repair maintenance and improvement	1,503,410.00	-
Student organization	262,570.00	-
Attachment	1,002,600.00	-
Medical	78,573.00	-
Research	362,718.00	-
Local transport and traveling	1,790,480.00	-
Personnel emolument	4,313,044.00	-
<b>Total</b>	<b>24,711,888.00</b>	<b>14,960,284.00</b>

## 14. OTHER INCOME /PRODUCTION UNIT

Description	2021/2022	2020/2021
	kshs	Kshs
Tender	30,600.00	123,000.00
<b>Total</b>	<b>30,600.00</b>	<b>123,000.00</b>

During the financial year 2021/2022 the college realized Kshs30, 600.00 from sales of tender

## 15. USE OF GOODS AND SERVICES

Description	2021/2022	2020/2021
	kshs	Kshs
Training Materials And Other Related Costs	3,259,481.00	2,729,868.00
Local transport and travel	938,900.00	1,597,094.00

Utilities (Electricity, water and conservancy)	1,047,874.00	224,029.00
Administrative expenses	5,064,980.00	5,060,939.00
Development	1,455,155.00	-
Attachment	445,650.00	-
Student organization	240,225.00	-
Exams	4,068,375.00	-
Library	795,983.00	-
Medical	2,580.00	-
Registration	422,501.00	-
Research	474,381.00	-
Activity	1,332,080.00	-
<b>Total</b>	<b>19,545,715.00</b>	<b>9,611,930.00</b>

#### 16. EMPLOYEE COSTS

Description	2021/2022	2020/2021
	kshs	Kshs
Salaries And Wages	4,737,433.00	2,770,215.00
Employee related costs- contributions NSSF and NHIF	366,235.00	338,650.00
<b>Total</b>	<b>5,103,668.00</b>	<b>3,108,865.00</b>

#### 17. BOARD OF GOVERNORS COST

Description	2021/2022	2020/2021
	kshs	Kshs
Sitting allowance	1,193,000.00	1,156,000.00
Transport allowance	78,000.00	59,000.00
Others (Data Bundles)	16,000.00	0.00
<b>Total</b>	<b>1,287,000</b>	<b>1,215,000.00</b>

#### 19. REPAIRS, MAINTAINACE AND IMPROVEMENT

Description	2021/2022	2020/2021
	kshs	Ksh
Cleaning materials	178,040.00	192,600.00
Window grills	-	597,075.00
Electrical/plumbing materials	57,641.00	182,162.00
Landscaping	100,839.00	126,070.00
<b>Total</b>	<b>336,520.00</b>	<b>1,097,907.00</b>

#### CONTRACTED SERVICES

Description	2021/2022	2020/2021
	kshs	Kshs
Security services	694,000.00	585,000.00
<b>Total contracted services</b>	<b>694,000.00</b>	<b>585,000.00</b>

## 26. CASH AND CASH EQUIVALENTS

Description	2021/2022	2020/2021
	Ksh	Kshs
Current account (CASHBOOK)	9,781,561.15	7,131,440.00
Cash at hand	168,610.00	128,096.00
<b>Total Cash And Cash Equivalent</b>	<b>9,950,171.15</b>	<b>7,259,536.00</b>

### 26(a) ANALYSIS OF CASH AND CASH EQUIVALENTS

	Account number	2021/2022	2020/2021
Financial Institution		Ksh	Kshs
<b>a) current account</b>			
Kenya Commercial Bank -Fee Account	1263416225	9,781,561.15	7,131,440.00
Kenya Commercial Bank -Operation A/C	12637099354	28,772.00	31,280.00
<b>Sub-total</b>		<b>9,781,561.15</b>	<b>7,162,720.00</b>
<b>b) cash in hand</b>		168,610.00	128,096.00
<b>Sub -total</b>		<b>168,610.00</b>	<b>128,096.00</b>
<b>Grand total</b>		<b>9,950,171.15</b>	<b>7,290,816.00</b>

## 27. RECEIVABLE FROM EXCHANGE TRANSACTIONS

Description	2021/2022	2020/2021
	Kshs	Kshs
Current Receivables		
Students debtors	4,883,147.00	5,368,170.00
<b>Total</b>	<b>4,883,147.00</b>	<b>5,368,170.00</b>

### 28. Receivables from Non-Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	13,807,500.00	8,437,500.00
Transfers from Other Govt. entities	0.00	0.00
Undisbursed Donor Funds	0.00	0.00
Other Debtors (Non-Exchange Transactions)	0.00	0.00
Less: Impairment Allowance	0.00	0.00
<b>Total Current Receivables</b>	<b>13,807,500.00</b>	<b>8,437,500.00</b>

(\*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

## 29. INVENTORIES

Description	2021/2022	2020/2021
	Kshs	Kshs
Stationery	150,400.00	28,342.00
Cleaning Materials	75,287.00	116,658.00
Practical Materials	35,700.00	207,270.00
Catering store	95,600.00	0.00
Electrical stores	73,742.00	0.00
<b>Total</b>	<b>430,729.00</b>	<b>352,500.00</b>

## 31. PROPERTY, PLANT AND EQUIPMENT

### SCHEDULE OF FIXED ASSET

	Land	Buildings	Plant & Equipment	Catering Equipment & Cutlery	Computer & Computer Accessories	Furniture & Fittings	Total
<b>Cost</b>							
July 2021	3,000,000.00	50,451,148.00	5,347,922.00	201,299.00	264,308.00	2,241,732.00	61,506,409.00
Additional	-	3,949,233.00	886,817.00	86,026.00	694,622.00	699,000.00	6,315,698.00
At 30 June 2022	3,000,000.00	54,400,381.00	6,234,739.00	287,325.00	958,930.00	2,940,732.00	67,822,107.00
Depreciation	-	(2,176,015.00)	(935,211.00)	(28,733.00)	(385,572.00)	(294,073.00)	(3,792,398.00)
At 1 July 2021	3,000,000.00	52,224,366.00	5,299,528.00	258,592.00	573,358.00	2,646,659.00	63,875,324.00
30 June 2022							
Net Book Value At 30 June 2022	3,000,000.00	52,224,366.00	5,168,301.00	258,592.00	573,358.00	2,646,659.00	63,871,276.00

### 31(B). PROPERTY, PLANT AND EQUIPMENT AT COST

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	3,000,000.000	0.00	3,000,000.00
Buildings	54,400,381.00	2,176,015.00	52,224,366.00
Plant and Machinery	6,080,354.00	912,053.00	5,168,301.00
Catering equipment cutlery	287,325.00	28,733.00	258,592.000
Computers and Related Equipment	958,930.00	385,572.00	573,358.00
Furniture, And Fittings	2,940,732.00	294,073.00	2,646,659.00
<b>Total</b>	<b>67,822,107.00</b>	<b>3,792,398.00</b>	<b>63,871,276.00</b>

## 32. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Cost</b>		
At beginning of the year	464,000.00	0.00
Additions	0.00	0.00
At end of the year	464,000.000	0.00
Additions—internal development	0.00	0.00
At end of the year	464,000.00	0.00

<b>Amortization and impairment</b>	0.00	0.00
<b>At beginning of the year</b>	464,000.00	0.00
Amortization	0.00	0.00
<b>At end of the year</b>	464,000.00	0.00
Impairment loss	0.00	0.00
<b>At end of the year</b>	464,000.00	0.00
<b>NBV</b>	464,000.00	0.00

#### 34. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS.

Description	2021/2022	2020/2021
	ksh	Kshs
Trade creditors	895,559.00	2,778,521.00
KRA (BOG )	357,900.00	-
<b>Total</b>	<b>1,253,459.00</b>	<b>2,778,521.00</b>

#### 35. REFUNDABLE DEPOSITS FROM STUDENTS.

Description	2021/2022	2020/2021
	Ksh	Kshs
Prepaid Fees	2,082,340.00	5,437,050.00
<b>Total</b>	<b>2,082,340.00</b>	<b>5,437,050.00</b>

#### 43Cash generated from operations

	2021-2022	2020-2021
	Kshs	Kshs
<b>Surplus for the year before tax</b>		
<b>Adjusted for:</b>		
Depreciation	3,819,604.00	-
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
<b>Working Capital Adjustments</b>	-	-
Increase in Inventory	(78,229.00)	183,384.00
Increase in Receivables	(9,751,604.00)	4,706,270.00
Increase in Deferred Income	-	-
Decrease in Payables	1,525,062.00	(709,972.00)
Increase in Payments received in advance	3,354,710.00	1,646,750.00
<b>Net Cash Flow from Operating Activities</b>	<b>12,083,085.00</b>	<b>5,826,432.00</b>

*(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)*

**Age analysis of the receivable**

Description	Kshs
<b>At 30 June22</b>	
Students fee- 2019/2020	1,522,000.00
Students fee 2020/2021	1,567,800.00
Students fee 2021/2022	1,793,347.00
<b>Total</b>	<b>4,883,147.00</b>

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impa Ks
<b>At 30 June 2021</b>				
Receivables from exchange transactions	14,960,284.00	14,960,284.00	5,368,170.00	9,592,
Receivables from non-exchange transactions	8,437,500.00	8,437,500.00	-	
Bank balances	10,213,315.00	10,213,315.00	-	
<b>Total</b>	<b>33,611,099.00</b>	<b>33,611,099.00</b>	<b>5,368,170.00</b>	<b>9,59</b>
<b>At 30 June 2022</b>				
Receivables from exchange transactions	24,711,888.00	24,711,888.00	4,883,147.00	19,82

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2021</b>				
Receivables from non-exchange transactions	13,807,500.00	13,807,500.00	3,757,500.00	10,050,000.00
Bank balances	10,213,315.00	10,213,315.00	-	29,878,000.00
<b>Total</b>	<b>48,732,703.00</b>	<b>48,732,703.00</b>	<b>8,640,647.00</b>	<b>40,092,000.00</b>

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)*

#### 44.FINANCIAL RISK MANAGEMENT

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

The college 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 amount in full when due. Credit risk arises from cash and cash equivalent, and deposit 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 limit set by Board of Governors. The amounts presented in the statement of financial position are of allowances for doubtful receivables, estimated by the college's management based on prior experience and their assessment of the current economic environment.

##### ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the College Board of Governors, who has built 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 managers liquidity risk through continues monitoring of forecasts and actual cash flows.

**iii) Market Risk**

**The college has put in internal control measures**

**iv) Interest rate risk**

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

**Management of interest rate risk**

To manage the interest rate risk, management has endeavored to bank with institution that offers favorable interest rates.

**11. EVENTS AFTER THE REPORTING PERIOD**

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

**12. ULTIMATE AND HOLDING ENTITY**

The college is a State Corporation under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**13. CURRENCY**

The financial statement are presented in Kenya shillings (Kshs)

**APPENDIX I**  
**INVENTORY FORM**

**LIST OF EQUIPMENT FROM THE MINISTRY OF EDUCATION**

S/NO	NAME OF ITEM/ FACILITY	NO.
1	LATHE MACHINE – SNO/ C6241/C6246H	8
2	BENCH GRINDER	3
3	BENCH DRILLING MACHINE – Z4016	2
4	BENCH DRILLING MACHINE – Z4113	2
5	CYLINDRICAL GRINDING MACHINE	1
6	CNC LATHE MACHINE – CK 6141	2
7	UNIVERSAL MILLING MACHINE OF LIFT TABLE – X6132	1
8	VERTICAL MILLING MACHINE OF LIFT TABLE – 5032	1
9	UNIVERSAL CYLINDRICAL GRINDING MACHINE - M1432B	1
10	BENCH DRILLING MACHINE - ZQ4113	2
11	MATERIAL TESTING DEVICE-WDW-100E	1
12	VERTICAL MACHINE CENTRE- VMCL850L	1
13	COMPUTERS	21
14	COMPUTER DESK	20
15	TEACHERS DESK	1
16	UPS	1
17	PROJECTOR	1
18	CAD	21
19	AIR COMPRESSOR	1
20	GAUGE BLOCK 83	2
21	DRAWING DESK	10
22	DRAWING TOOLS	10
23	FILTER TRAINING TABLE	20
24	FILTER OPERATION TOOL KIT	20
25	TABLE VICE	20
26	GAUGE BLOCK 38	2
27	BUBBLE INCLINOMETER	5
28	BAND SAWING MACHINE	1
29	SANDER	2
30	WORKING TABLE	8
31	ELECTRIC SOLDERING IRON	4
32	LIFTING BELT	2
34	HANDLING SMALL TANK	4
35	JACK	2
36	TOOL CABINET	15
37	FILE CABINET	8
38	COMMODITY SHELVES	10

APPENDIX 2

CSR PHOTOGRAPH

