

REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 26 SEP 2023

DAY:
Tuesday

ON

TABLED
BY:

Hon. Kimani Ichung'uah (leader
of the Majority Party)

CLERK AT
THE TABLE:

Inzafu Mwale

**KAMUKUNJI TECHNICAL AND
VOCATIONAL COLLEGE**

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

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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08 AUG 2023
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Motto: Technical Training for Employment Creation

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

CENTRAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2022
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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

Kamukunji Technical and Vocational College (KAMUKUNJI TVC) is a Technical Vocational Education & Training (TVET) college under the Ministry of Education. To facilitate the execution and completion of Kamukunji Technical and Vocational College, the Government of Kenya (GOK) contributed Kshs. 43,740,660 million while Kamukunji Constituency Development Fund (CDF) contributed Kshs. 10,000,000 million.

Murang'a University of Technology (MUT) was mandated by GOK to construct the college. The foundation stone was laid on 30th June, 2016 by H.E. William Samoei Ruto, the Deputy President of the Republic of Kenya.

KAMUKUNJI TVC sits on a 4.7 acres parcel of Land and is located at Eastleigh 3rd Avenue next to Airbase Police Post, Airbase Sub-location, Airbase Location, Eastleigh Division, Kamukunji Sub-county in Nairobi County.

The college is a Centre of excellence in hospitality, hairdressing and beauty therapy. It is fully equipped with state-of-the-art Equipment by GOK through Avic International Company of China.

(b) Principal Activities

Training competent human resource for Social Economic Development in Business, Science, Technology, Engineering and Mathematics.

(c) Key Management

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

- Principal
- Deputy Principal-Administration affairs
- Deputy Principal-Academic affairs
- Registrar
- Dean of Students
- Heads of Departments

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Simon Gathii Njoroge
2.	Deputy Principal-Administration affairs	Joan Jelimo Saina
3.	Deputy Principal-Academic affairs	James Mwambi Oirere
4.	Registrar	Joseph Makwebe
5.	Dean of Students	Esther Kariuki
6.	Heads of Departments	

(e) Fiduciary Oversight Arrangements

Board of Governors

The functions of the Board of Governors shall include:

- (a) overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law;
- (b) promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- (c) administering and managing the property of the institutions;
- (d) developing and implementing the institutions' strategic plan;
- (e) preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

- (h) mobilizing resources for the institutions;
- (a) developing and reviewing programmes for training and to make representations thereon to the Board;
- (b) regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (c) approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
- (d) recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- (e) determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- (f) making regulations governing organization, conduct and discipline of the staff and students;
- (g) preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board;
- (h) providing for the welfare of the students and staff of the institutions;
- (i) encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- (j) discharging all other functions conferred upon it by this Act or any other written law.

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

Committees of the Board of Governors

1. Finance, Human Resource, Development, Education and Training

Committee Activities

The Committee shall exercise all the powers of Board of Governors (BOG) in financial matters except in relation to the items which are reserved to BOG in these Standing Orders, on which the Committee shall advise BOG.

Terms of Reference.

The role of the Committee shall be to monitor the financial status of the College on behalf of BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the College's strategy with regard to financial matters.
- b) To receive reports from the Chief Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the College.
- d) To receive reports of the extent and condition of the College estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the College estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for College services and facilities.
- g) To supervise the financial administration of the College and make recommendations to BOG where appropriate.
- h) To supervise the arrangements for safeguarding the College's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the College's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the College's intellectual property.
- l) To make recommendations to BOG on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the College.
- n) Provide academic leadership to KTVC, through promotion of excellence in teaching and learning, and ensuring that KTVC embraces a philosophy of quality enhancement and innovation.
- o) Facilitate academic freedom and freedom of speech and ensure academic integrity within KTVC.
- p) Ensure a culture of scholarship is developed, nurtured and embedded within KTVC.
- q) Formulate, coordinate and review academic policy, procedures and guidelines within KTVC.
- r) Monitor and regularly report on compliance with academic policy within KTVC.

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- s) Advise the Board of Governors on the academic aspects of KTVC's strategic, operational and risk management plans and foster disclosure on issues related to higher education and KTVC's Vision and Goals.
- t) Oversee the quality assurance of the academic activities of KTVC, within the KTVC Risk Management Framework.
- u) Partner with the Audit and Risk Management Committee to identify, assess and monitor academic risks within the KTVC Risk Management Framework.
- v) Consider and make decisions on all aspects of the development and accreditation or re-accreditation of higher education courses, the admission of students, teaching, assessment and requirements for graduation, prizes, awards and scholarships.
- w) Oversee the regular program of internal unit, course and school reviews within KTVC.
- x) Ensure that KTVC engages in regular benchmarking exercises with other higher education providers, and monitor the outcomes of such benchmarking exercises against targets in KTVC's plans.
- y) Refer certain matters to such standing committees or working groups as it may from time to time establish to advise on such matters.
- z) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
- aa) Consider and recommend on any matter referred to the it by the Board of Governors.
- bb) In addition to such matters as are specifically referred to the Academic Board, the Academic Board may generate reports and recommendations to the Board of Directors, including recommending new courses for development.
- cc) Undertake regular self-reviews of performance, and oversee reviews of performance of the Teaching and Learning committees, and any other sub committees of Academic Board.

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

2. Audit and Risk Committee Activities

Some detailed audit committee responsibilities include:

- a) Ensuring that financial statements are understandable, transparent, and reliable.
- b) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic.
- c) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top.
- d) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.
- e) Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the institution is a party.
- f) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.
- g) Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.
- h) Reviewing internal audit plans, reports, and significant findings.
- i) Establishing a direct reporting relationship with the external auditors.

3. Senior Management Activities

The main purpose of the Senior Management Team is to:

- (a) Ensure that KAMUKUNJI TVC's BOG is able to take strategic decisions relating to KAMUKUNJI TVC's activities.
- (b) Provide leadership in communicating KAMUKUNJI TVC's mission, values, plans and achievements effectively and consistently to BOG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- (c) Be accountable for the development and implementation of KAMUKUNJI TVC's strategic, corporate and business plans in line with the mission and values.
- (d) Take a strategic overview of performance in all areas of KAMUKUNJI TVC's activities.

Specifically, the Senior Management Team:

- i. Makes recommendations to the BOG on the implementation and achievement of the BOG's Strategic Framework;
- ii. Agrees KAMUKUNJI TVC's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- iii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

- iv. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of KAMUKUNJI TVC, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- v. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- vi. Oversees and monitors KAMUKUNJI TVC's joint work with the other stakeholders
- vii. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOG and/or its relevant Committees.
- viii. Leads all senior managers in motivating and developing KAMUKUNJI TVC staff to deliver the highest standards of performance and customer service.




(a) Government Oversight Activities

The Government of Kenya's Oversight role includes provision of grants for both capitation and Development as well as provision of the regulatory framework. The audit of the Institutional activities is undertaken by the Office of the Auditor General.





<p>(a) Headquarters Eastleigh 3rd Avenue next to Airbase Police Post, Airbase Sub-location, Airbase Location, Eastleigh Division, Kamukunji Sub-county in Nairobi County</p>	<p>(b) Contacts P. O. Box 1626-00600, Nairobi. Tel. 0110099913 Email: kamukunjitvc@gmail.com Website: https://kamukunjitvc.ac.ke</p>
<p>(c) Kamukunji TVC Bankers KCB Bank Limited Eastleigh Branch</p>	
<p>(d) Independent Auditors Auditor General Office of the Auditor General Anniversary Towers, University Way P.O. Box 30084 GOP 00100 Nairobi, Kenya</p>	<p>(e) Principal Legal Adviser The Attorney General State Law Office Harambee Avenue P.O. Box 40112 City Square 00200 Nairobi, Kenya</p>

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II. BOARD OF GOVERNORS

Governor	Title	Photograph	Date of birth, key qualifications and work experience	
			Date of Birth	Qualification
1. Hassan Sheikh Mohammed	Chairman		Date of Birth	1981
			Qualification	MA Communication
			Experience	17 Yrs
2. Virginia Wangoi Kamonji	Member		Date of Birth	1973
			Qualification	Master of education
			Experience	24 Yrs
3. Capt. Franklyn Ndirangu Gatheca	Member		Date of Birth	1977
			Qualification	B.Com
			Experience	22yrs

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4. Benson Fredrick Omondi Otieno	Member		Date of Birth	1984
			Qualification	BBIT
			Experience	13 Yrs
5. Annah Fridah Karani	Member		Date of Birth	1960
			Qualification	MBA
			Experience	35 Yrs
6. Maryan A. Hassan	Member		Date of Birth	1977
			Qualification	B.ED
			Experience	21yrs
7. Simon Gathii Njoroge	Secretary		Date of Birth	1968
			Qualification	B. Ed. Technology
			Experience	25 Yrs

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Board Committees

Name of the Committee	Members
Finance, Development, Human Resource and Resource Mobilization Committee	1. Capt. Franklyn Ndirangu Gatheca 2. Benson Fredrick Omondi Otieno 3. Maryan A. Hassan 4. Pauline Wangithi Mureithi
Audit & Risk Committee	1. Annah Fridah Karani 2. Virginia Wangui Kamonji 3. James Kamau Kuria





Functions of the Board of Governors

According to the TVET act 2013, the BOG shall have the following functions.



- i. Provide oversight and strategic leadership
- ii. Approve statutes
- iii. Approve policies for the Colleges
- iv. Approve budgets
- v. Make new or additional regulations, amend or revoke existing regulations
- vi. Make appointments authorised by the law
- vii. Acquire land, buildings, premises, equipment, vehicles, machinery and facilities acquired for carrying out the work/duties of the College.
- viii. Determine the method of recruitment, appointment and promotion of all staff of the Colleges as per the law.
- ix. Provide welfare for every person as per the law
- x. Provide control and regulate finances
- xi. Enter into contracts, vary carry, out or terminate contracts on behalf of the Colleges
- xii. Empower committee of the BOG appointed
- xiii. Transact from time to time any other business of the College which is covered by the law.

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III. MANAGEMENT TEAM

Manager	Title	Photograph	Qualification & Responsibility	
			Date of Birth	
Simon Gathii Njoroge	Principal		Date of Birth	1968
			Qualification	B. Ed. Technology
			Experience	25 Yrs
Joan Jelimo Saina	Deputy Principal Administration		Date of Birth	1970
			Qualification	MSc
			Experience	22 Yrs
James Mwamba Oirere	Deputy Principal Academic Affairs		Date of Birth	1970
			Qualification	B. Com
			Experience	24 Yrs
Joseph Makwebe	Registrar		Date of Birth	1975
			Qualification	B. Computer Science
			Experience	14 Yrs

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Esther Kariuki	Dean of Students		Date of Birth	1977
			Qualification	Bsc
			Experience	12 Yrs
Jared Opiyo Aketch	Finance Officer		Date of Birth	10.02.1980
			Qualification	CPA
			Experience	2 Yrs

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IV. CHAIRMAN'S STATEMENT

It is my pleasure to present the College's annual report and financial statement for the year ended 30th June 2022

The College's Board of Governors note with appreciation the continued support of the government and other stakeholders in the daily running of the College.

We thank the government for the new programmes on Competency Based Education and Training (CBET) aimed at matching skills in institution with industry needs. The BOG will work with industry and other partners to strategies in order to ensure that the skills offered Nairobi meet the industry needs.

The TVC was handed over by the Murang'a University on 28th July 2020 So far it has attained a student population of **170 Students up from 77 in the previous year**

The Government has also played a great role by the provision of resources to acquire teaching and learning materials.

We are pleased of the achievements so far realised despite the financial challenges faced especially due to the COVID-19 pandemic.

Let me lastly thank the Government of Kenya, parents, guardians, suppliers and service providers for their trust, support and continued partnership and cooperation during the Financial Year 2021/20222



Hassan Sheikh Mohammed
CHAIRMAN BOARD OF GOVERNORS

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V. REPORT OF THE PRINCIPAL

Let me take this opportunity to present Kamukunji TVC financial statement for the FY 2021/2022 ending 30th June 2022 in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

With the support of the BOG we have put in place the necessary financial, procurement and internal control measures to ensure proper utilization of funds entrusted to us.

The TVC was handed over by the Murang'a University on 28th July 2020 So far it has attained a student population of **170 Students up from 77 in the previous year.**

The Government has also played a great role by the provision of resources to acquire teaching and learning materials.

I am humbled by the support from College's BOG, Management and all members of staff for their commitment and dedication to their work and effort that have seen KAMUKUNJI TVC move forward in attaining its vision and mission.



Simon Gathii Njoroge
Principal/Secretary BOG

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

FOR FY 2021/2022

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

The Kamukunji TVC is a new institution which opened its doors to the public on 28th July 2020. It has so far registered a student population of 170 as at the end of the Financial Year Under review.

VII. CORPORATE GOVERNANCE STATEMENT

1. Corporate Governance Statement

- a) Good corporate governance is the key to integrity and corporations and central to the College stability
- b) Corporate governance therefore encompasses the system practices and procedures by which the individual corporation regulates itself to remain stable, competitive, sustainably and fair.
- c) The BOG follows principles of transparency and accountability in its stewarding College's affairs'
- d) The role of the BOG is to ensure conformity by focusing and providing the Colleges strategic direction and policy making as well as performance review through accountability, monitoring, supervision and internal control to safeguard the assets and ensure the reliability of financial information
- e) Management team comprising of the principal, deputy principal, head of departments and staff meet regularly to consider issues of operational and strategic importance.
- f) Below are key features of the existing governance practices within the Colleges which are revised and improved from time to time

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2. Colleges BOG

- a) The BOG constitutes of chairman BOG and eight members who have been appointed in accordance to the TVET Act 2013, which meets formally at least four times a year and or any other time when need arises
- b) BOG Is responsible for setting the direction of the College through establishment of strategic information, policies and approval of budgets. It monitors implementation of the above through structured approach of reporting by the management and accountability.
- c) The BOG is actively involved and bring strong independent judgement on its deliberations and discussions
- d) The BOG members have diverse skill set, wide range of knowledge and experience of the College in objectives and decision making.
- e) The BOG meets regularly and retains full and effective control over the College in all strategic financial operation and compliance areas

3. Related Party Disclosure

Related parties for the purposes of this report include:

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

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VIII. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A: Operational and Financial Performance

Kamukunji Technical and Vocational College operational and financial performance

The College is a public Institution which relies on Government funds, and fees paid by students. It is not a profit making entity.

The college has not yet full attained autonomy in the management of its resources. It currently operates under the mentorship of the Nairobi Technical Training Institute

SECTION B: Compliance with Statutory Requirements

Kamukunji Technical and Vocational College compliance with statutory requirements

Kamukunji Technical and Vocational College complies to deduction and remittance of statutory deductions such NHIF, NSSF

SECTION C: Key Projects and Investment Decisions

Key projects and investment decisions Kamukunji Technical and Vocational College is planning/implementing

- Being a new institution, Kamukunji TVC has not initiated any development project.

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MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

SECTION D: Financial and Management Risks

Major risks facing the entity

- Inadequate funding by the ministry of education- on capitation/operation and development grants
- Poor fees payments resulting in fees arrears of Ksh. 4,965,243.00
- Untimely marketing due to late funding
- Due to limited capacity, it is not possible to increase the number of students as expected.
- The socio economic effects associated with the COVID-19 Pandemic
- The college has so far not acquired title to the land on which it sits. However, the BOG has initiated the process of acquisition.

Due to the above factors the institution is facing challenges in meeting its operational obligation fully.

SECTION E: Material arrears in Statutory and Financial Obligations

Material arrears in statutory/financial obligations

1. **There are no material arrears/ obligations**

SECTION F: Governance

The entity's financial probity and serious governance issues

There were no serious governance issues reported during the year under review.

IX. CORPORATE SOCIAL RESPONSIBILITY / SUSTAINABILITY REPORTING

The Kamukunji TVC being a relatively new institution with limited funding has not embarked on major activities of corporate social responsibility.

1. Sustainability strategy and profile -

a. Organisational Sustainability

This strategy focuses on achieving financial, environmental organisational and institutional sustainability within the College

b. Financial sustainability

The College has diversified the sources of revenue which include; school fees, and production unit program.

c. Environmental sustainability

The College embraces the use of environmentally friendly methods in waste disposal. The strategies are targeted at protecting and improving the environment.

d. Organisational and institutional sustainability

Organisational and institutional sustainability aims at achieving and maintaining sustainability. This is addressed from various viewpoints that include community engagement, having in place a risk management framework and implementation of strategies to mitigate the defined risks.

2. Environmental performance

a. Greening TVET

- ✓ greening the institution
- ✓ greening the curriculum
- ✓ greening research
- ✓ greening the culture
- ✓ greening the community

b. Solid Waste management

- ✓ disposal of wastes
- ✓ policies on re-cycling

c. Emission control

- ✓ control on gases emitted to the environment

d. Adoption of Environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the College.

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3. Employee welfare

The College with the support of the Board Members is in the process of developing the following policies to guide its operations: -

- Scheme of service for BOG Staff.
- Career progression guidelines for BOG Staff.
- Motivation Policy for both Staff and Students.
- Production Unit Policy.
- ICT policy
- Gender Mainstreaming and Youth Empowerment Policy.
- Strategic Plan
- Human Resource Policy and Manual

4. Market place practices-

(A) RESPONSIBLE COMPETITION PRACTICE

(i) Anti -corruption

- a. Student fees: The College charges the student's fees as per the guidelines from the Ministry of Education. The Tuition fees together with other levies charged is Ksh. 56,420 as capped by the Ministry of Education.
- b. The admission process is transparent.

(ii) Political involvement

- a. The College liaises with the area leadership for development of the college infrastructure.

(iii) Fair competition

- a. The College acquires the curriculum and syllabus from Kenya Institute of curriculum development (KICD), National Industrial Training Authority (NITA) and CDACC to ensure that what is offered at KTVC is similar to what is offered in other institutions.
- b. Entry criteria for the program and the entry requirements for the students are clearly defined. i.e. Mean grade c- for Diploma students, D+ for Certificate students and KCSE for artisan. This allows the College to have a fair competition with the universities who require students to have a mean grade of C+ to access university education.

(iv) Respect for competitors

- a. Mutual beneficial relationships: - The College undertakes benchmarking with other institutions so as to offer quality service to the trainees and to assist one another to better improve.

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- b. The students are placed by KUCCPS and the College ensures that when student seek for transfers from other institutions, there is correspondence from the institution that the student wishes to leave so as to ensure that there is mutual understanding.

(C) RESPONSIBLE MARKETING AND ADVERTISEMENT

- (i) Efforts to maintain ethical marketing practices
 - a. The College openly advertises in the print and electronic media for all the courses offered in the institution so as to ensure transparency and integrity in the admission process.
 - c. The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the College.
 - d. The College ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake.
 - e. Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/ guardians and students to prepare for the admission.

(D) PRODUCT STEWARDSHIP

- (I) Efforts to safeguard consumer rights and interests
 - a. The College has a complaints procedure and complaints registers at various offices.
 - b. There is proactive disclosure of information by ensuring that information is given through the Colleges website, brochures, print and electronic advertisement
 - c. Requests by customers for information on admission and courses is done through e – mail, telephone call and letters. The College has ensured an active e-mail address kamukunjitvc@gmail.com and the telephone line 0110099913. The College has ensured an active websit www.kamukunjitvc.ac.ke

5. Community Engagements-

The College has continuously engaged the community in matters of corporate social responsibility (CSR).

KAMUKUNJI TECHNICAL AND VOCATIONAL COLLEGE
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X. REPORT OF THE BOARD OF GOVERNORS

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

Principal Activities

The principal activities of the institution are to train competent Human Resource for social economic development at TVET level.

Results

The results of Kamukunji Technical and Vocational College for the year ended 30 June, 2022 are set out on page 1


BOARD OF GOVERNORS

The members of the Board members who served during the year are shown on page vii.

Auditors

The Auditor General is responsible for the statutory audit of **Kamukunji Technical and Vocational College** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act for the year ended June 30, 2022 in accordance to section 23 of the Public Audit Act, 2015.

By Order of the Board


.....
Simon Gathii Njoroge
Principal/Secretary BOG

Date: 29/9/2022
.....

KAMUKUNJI TECHNICAL AND VOCATIONAL COLLEGE
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XI. STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

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

The Board members are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year (period) ended on June 30, 2022.

This responsibility includes:

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

The Board members accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector

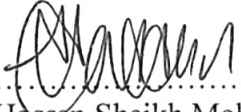
KAMUKUNJI TECHNICAL AND VOCATIONAL COLLEGE
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Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act). The Board members are of the opinion that the College's financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2022, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

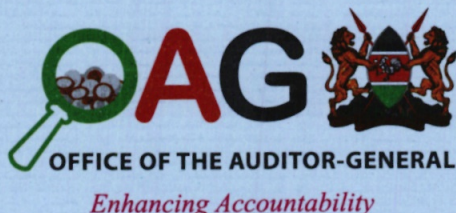
Approval of the financial statements

The College's financial statements were approved by the Board on ^{28/9/2022}***** and signed on its behalf by:


.....
Hassan Sheikh Mohammed
Chairman of the Board


.....
Simon Gathii Njoroge
Accounting Officer/Principal

REPUBLIC OF KENYA



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

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kamukunji 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, 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 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 the Kamukunji Technical and Vocational College as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

A comparison of balances reflected in the financial statements revealed unexplained variance with the corresponding balances disclosed in the schedules.

Further, review of the annual report and financial statements revealed that the section D of the management discussion and analysis indicates fees arrears of Kshs.3,262,512 instead of an amount of Kshs.4,965,243 resulting to an unexplained variance of Kshs.1,702,731.

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

2. Inaccuracies in Reported Revenue

The statement of financial performance reflects Nil amount in respect of transfers from the National Government. However, Note 6 to the financial statements reflects a total capitation from the State Department for Vocational and Technical Training amount of Kshs.4,237,500 resulting to unreconciled variance of Kshs.4,237,500. In addition, the trial balance reflected a capitation amount total of Kshs.4,305,000.

In addition, the statement reflects an amount of Kshs.12,280,779 in respect of revenue from rendering of services. As disclosed in Note 7 to the financial statements, this is comprise of revenue from tuition fees, examination fees, students ID and caution money amounts of Kshs.10,381,279, Kshs.1,460,000, Kshs.146,500 and Kshs.293,000 respectively. However, the corresponding ledger analysis provided revealed amounts of Kshs.3,257,555, Kshs.1,257,220, Kshs.59,500 and Kshs.202,000 respectively resulting to unexplained variances of Kshs.7,123,724, Kshs.202,780, Kshs.87,000 and Kshs.91,000 respectively.

Further, the statement of financial performance and Note 8 to the financial statements reflects an amount of Kshs.25,065 in respect of rental revenue from facilities and equipment. However, review of records and information revealed that revenue from sale of food items for the financial year under review totalled Kshs.111,065 resulting to unexplained variance of Kshs.86,000.

In the circumstances, the accuracy of the total revenue amount of Kshs.12,305,844 could not be confirmed.

3. Inaccuracies in Use of Goods and Services Expenses

The statement of financial performance and Note 10 to the financial statements reflects expenditure on use of goods and services totalling Kshs.2,516,619. However, the expenditure includes deposits amount of Kshs.12,450 which was wrongly classified under use of goods and services. In addition, Note 10 to the financial statements reflects nil balances for registration/statutory fees and educational tours. However, the corresponding general ledgers reflects expenditures totalling Kshs.313,758 and Kshs.19,600 respectively. The variances have not been explained. Further, an expenditure of Kshs.64,400 was incurred on 27 June, 2022 in respect of luncheon for staff motivation but was not included in the expenditure on use of goods and services.

In the circumstances, the accuracy of the expenditure on use of goods and services could not be confirmed.

4. Inaccuracies in Employee Cost

The statement of financial performance and Note 11 to the financial statements reflects expenditure in respect of employee costs totalling Kshs.1,562,167 which includes salaries and wages for training staff and non-training staff of Kshs.618,000 and Kshs.944,167 respectively. However, the schedule/ledgers provided indicate expenditures totalling Kshs.1,184,042 out of which training and non-training staff accounted for Kshs.622,400 and 561,645 respectively resulting to total unexplained variance of Kshs.378,125. In addition, review of records revealed that Management incurred expenditure totalling Kshs.127,200 in respect of casuals. However this expenditure was omitted from the employee costs.

In the circumstances, the accuracy of the expenditure on employee costs could not be confirmed.

5. Inaccuracies of Repairs and Maintenance Expenses

The statement of financial performance and Note 13 to the financial statements reflects an expenditure of Kshs.346,352 in respect of repairs and maintenance. However, review of the payment schedules and supporting documents presented revealed a total of Kshs.132,930 resulting to an unreconciled variance of Kshs.213,422. Further, the payment records were not supported with requisitions clearly outlining the budget from various user departments. In addition, the receipts were not endorsed at the back to

confirm authenticity and no reports were prepared to confirm that the respective works had been undertaken. Similarly, evidence that the purchased items had been taken on charge in stores before being issued out was also not provided.

In the circumstances, the accuracy of the expenditure on repairs and maintenance could not be confirmed.

6. Inaccuracies in Contracted Services Expenditure

The statement of financial performance and Note 14 to the financial statements reflects expenditure totalling Kshs.1,016,324 in respect of contracted services. However, the ledgers provided for audit review reflects a total of Kshs.434,897 resulting to unreconciled variance of Kshs.Kshs.581,427.

In the circumstances, the accuracy of the expenditure on contracted services could not be confirmed.

7. Inaccuracies in Finance Costs

The statement of financial performance and Note 15 to the financial statements reflects an expenditure of Kshs.7,125 in respect of finance cost. However, review of the bank statements as well as the general ledger provided reflected a total amount of Kshs.4,160 resulting to unexplained variance of Kshs.2,965.

In the circumstances, the accuracy of expenditure on finance costs could not be confirmed.

8. Unsupported Receivables from Exchange Transactions Balance

The statement of financial position and Note 18 to the financial statements reflects receivables from exchange transactions balance of Kshs.6,429,681 in respect to student debtors. However, the aging analysis for the student debtors was not provided for audit verification. Further, the prior year balance of Kshs.4,862,181 was net of impairment loss of Kshs.255,904 but the policy for provision for bad debts was not provided to determine why there was no provision in the current year.

In the circumstances, the accuracy of the receivables from exchange transactions balance could not be confirmed.

9. Inaccuracies in Cash and Cash Equivalents Balance

The statement of financial position and Note 17 to the financial statements reflects cash and cash equivalents balance of Kshs.3,123,060 which includes a current account and cash in hand balance of Kshs.3,016,082 and Kshs.106,978 respectively. However, the board of survey report indicated a cash at hand balance of Kshs.105,276 resulting to an unexplained variance of Kshs.1,702. Further, the bank reconciliation statements reflects

an adjusted cash book balance of Kshs.2,758,108 which excludes outstanding cheques totaling Kshs.257,974 whose analysis was not provided.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.3,123,060 could not be confirmed.

10. Unsupported Trade and Other Payables Balance

The statement of financial position and Note 21 to the financial statements reflects a trade and other payables balance of Kshs.2,396,359. Included in this balance is fees paid in advance balance of Kshs.378,663. However, review of the corresponding ledger balance indicates a balance of Kshs.1,355,883 resulting to an unreconciled variance of Kshs.977,220. In addition, supporting records in respect of trade payables balance of Kshs.1,457,461 were not provided for audit verification.

In the circumstances, the accuracy of the trade and other payables balance of Kshs.2,396,359 could not be confirmed.

11. Unsupported Property, Plant and Equipment Balance

The statement of financial position and Note 20 to the financial statements reflects property plant and equipment balance of Kshs.57,299,563. The balance of property, plant and equipment includes buildings, computers, furniture and intangible assets balances of Kshs.52,665,847, Kshs.1,111,442, Kshs.3,264,300 and Kshs.257,974 respectively. However, analysis of the individual assets were not provided for audit and the balances were not supported with the fixed assets register. Further, the movement from the previous year's balance of Kshs.55,699,747 and the depreciation and amortization expenditure of Kshs.1,939,643 in the year under review was not supported. In addition, valuation and ownership documents for the land in which the buildings have been constructed were similarly not provided.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.57,299,563 could not be confirmed.

12. Unsupported Fair Value Adjustment on Capital Reserves

The statement of changes in net assets reflects a fair value adjustment on capital reserves of Kshs.1,461,853. However, the adjustment has not been supported by any documentary evidence. In addition, the adjustment is not reflected in the statement of financial position under net assets and under Note 23 to the financial statements.

In the circumstances, the accuracy and completeness of the statement of changes in net assets could not be confirmed.

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

other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

Review of the statement of comparison of budget and actual amounts revealed a final expenditure budget of Kshs.20,606,460 against actual expenditure of Kshs.7,994,435 resulting in budget underutilization of Kshs.12,612,025 or 61% of the approved budget. Similarly, the College budgeted total revenue of Kshs.20,623,460 against actual revenue collection of Kshs.12,280,779 resulting to an under funding of Kshs.8,342,681 or 40% of the budget. The underfunding and under absorption affected service delivery to the public.

Further, the following other observations were noted:

- i. The statement reflects nil revenue from development grants. However, the approved budget indicates assets/capital expenditure of Kshs.5,052,596.
- ii. The statement shows final budget for bank charges as nil while the approved budget reflects Kshs.20,000.
- iii. There was no budget for BOG members expenses provided for during the year under review.
- iv. The final budget for contracted professional services is Kshs.200,000 while the actual expenditure is Kshs.1,016,324 resulting to an over-expenditure of Kshs.816,324 or 408% of the budget. Approval for the over expenditure was not provided.
- v. Note 8 to the financial statements in respect of rental revenue from facilities and equipment of Kshs.25,065 was not included in the statement of comparison budget and actual amounts.
- vi. Management did not provide footnotes to explain differences between the actual and budgeted amounts for the various budget items where variance exceeds 10% as required under the revised template provided by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, nothing 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

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 matter 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

Lack of Approved Policy Documents

Review of the records provided for audit revealed that the College did not have an approved finance manual, information and communication technology (ICT) policy, career progression policy, academic policy and human resource manual. In addition, the College did not have an approved disaster recovery plan.

In the circumstances, the effectiveness of the College's risk management and governance 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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease its 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 financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

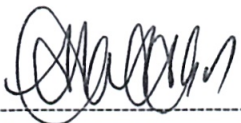
11 July, 2023

KAMUKUNJI TECHNICAL AND VOCATIONAL COLLEGE
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XIII. STATEMENT OF FINANCIAL PERFORMANCE


		2021-2022	2020-2021
		Kshs	Kshs
REVENUE	Note		
Revenue from non-exchange transactions			
Transfers from the National Government - Grants/gifts in kind	6	6,029,853	2,055,000
		6,029,853	2,055,000
Revenue from exchange transactions			
Rendering of Services - Fees from students	7	6,549,994	6,794,980
Rental revenue from facilities and equipment	8	-	-
Other Income	9	111,065	-
		6,661,059	6,794,980
Total revenue		12,690,912	8,849,980
EXPENSES			
Use of Goods and Services	10	4,221,009	1,936,920
Employee Costs	11	1,311,245	384,800
Remuneration of Board Members	12	348,230	735,111
Depreciation and Amortization Expense	20	1,887,868	1,411,913
Repairs and Maintenance	13	132,930	56,790
Contracted Services	14	434,896	360,800
Finance Costs	15	4,160	6,070
Total Expenses		8,340,339	4,892,404
Net Surplus / (Loss) for the Year		4,350,573	3,957,576

The notes set out on pages 8 to 24 form an integral part of these Financial Statements




Hassan Sheikh Mohamed
Chairman of Board of Governors

Date 29/9/2022
Date.....



Clement Amukhuma
Senior Finance Officer (NTTI)
ICPAK No. 17593

29/9/2022



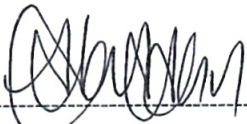
Simon Gathii Njoroge
Principal

Date 29/9/2022
Date.....

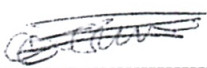
KAMUKUNJI TECHNICAL AND VOCATIONAL COLLEGE
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XIV. STATEMENT OF FINANCIAL POSITION

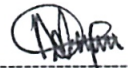
XIV. STATEMENT OF FINANCIAL POSITION As at 30 June 2022			
	Note	2021-2022 Kshs	2020-2021 Kshs
Assets			
Current assets			
Cash and cash equivalents	17	3,121,358	1,375,130
Current portion of Receivables from exchange transactions	18	4,965,243	4,862,181
Inventories	19	47,420	5,000
Total Current Assets		8,134,021	6,242,311
Non-current assets			
Property, plant and equipment	31	55,767,425	55,699,747
Accumulated Surpluses	23	3,434,481	0
Total Non-Current Assets		59,201,906	55,699,747
Total Assets		67,335,927	61,942,058
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	1,916,118	-
Valuation Reserves	16	57,111,660	57,111,660
Total liabilities		59,027,778	57,111,660
Net Assets		8,308,149	4,830,398
Reserves	22	8,308,149	3,957,576
Accumulated Surpluses	23	0	842,822
Total Reserves & Surpluses		8,308,149	4,830,398
Total Net Assets and liabilities		67,335,927	61,942,058


Hassan Sheikh Mohamed
Chairman of Board of Governors

Date 29/9/2022
Date.....


Clement Amukhuma
Senior Finance Officer (NTTI)
ICPAK No. 17593

29/9/2022


Simon Gathii Njoroge
Principal

Date 29/9/2022
Date.....

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

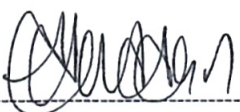
XV. STATEMENT OF CHANGES IN NET ASSETS

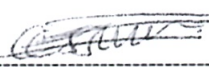
Reserves	Revenue Reserves	Capital Reserves	VALUATION Reserves	Deferred Income	Total
	Kshs	Kshs			Kshs
Balance as at 1 July 2020					-
Revaluation			57,011,660		57,011,660
Fair value adjustment on Capital	-	872,822			872,822
Total Comprehensive income	3,957,576				4,284,175
Capital/Development Grants received during the Year					-
Increase/(Decrease) in Deferred income for the year					-
Transfer of Depreciation/Amortization from Capital to retained earnings					-
Balance as at 30 JUNE 2021	4,284,175	872,822	57,011,660	-	62,168,657
Balance as at 1 July 2021	4,284,175	872,822	57,011,660	-	62,168,657
Revaluation					-
Fair value adjustment on Capital	-	(3,434,481)	(54,776,598)		(58,211,079)
Total Comprehensive income	4,350,573				4,350,573
Capital/Development Grants received during the Year					-
Increase/(Decrease) in Deferred income for the year					-
Transfer of Depreciation/Amortization from Capital to retained earnings					-
Balance as at 30 JUNE 2022	8,634,748	(2,561,659)	2,235,062	-	8,308,150


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XVI. STATEMENT OF CASHFLOWS

	Note	Current Year 2020-2021	Current Year 2020-2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Transfer from other Government entities/Gov. grants	6	6,029,853	2,055,000
Rendering of Services - Fees from Students	7	1,584,751	6,794,980
Rental revenue from facilities and equipment	8		-
Other income	9	111,065	-
Total Receipts		7,725,669	8,849,980
Payments			
Use of Goods and Services	10	3,660,774	1,936,920
Compensation to Employees	11	1,311,245	384,800
Bog Members Expenses	12	348,230	735,111
Repairs and Maintenance	13	132,930	56,790
Contracted Services	14	434,896	360,800
Finance Costs	15	4,160	6,070
Total Payments		5,892,236	3,480,491
Net cash flows from operating activities	40	1,833,433	5,369,489
CASH FLOWS FROM INVESTING ACTIVITIES			
(Purchase) of plant and equipment		(2,045,546)	
Proceeds from sale of plant and equipment			
Proceeds from sale of investments			
(Purchase) of foreign currency securities			
Net Cash flow from Investing Activities		(2,045,546)	
Adjust for working Capital Changes			
(Increase)/Decrease in Inventories			(5,000)
Increase/(Decrease) in Accumulated Fund		1,951,518.00	872,822
Decrease (Increase) in Receivables			(4,862,181)
Net Movement on working Capital		1,951,518	(3,994,359)
Net increase/(decrease) in cash and cash equivalents		1,739,405	1,375,130
Cash and cash equivalents at the beginning of the Year		1,375,130	
Cash and cash equivalents at end of the year		3,121,358	1,375,130


Hassan Sheikh Mohamed
Chairman of Board of Governors


Clement Amukhuma
Senior Finance Officer (NTTI)
ICPAK No. 17593


Simon Gathii Njoroge
Principal

Date 29/9/2022
Date

29/9/2022

Date 29/9/2022
Date

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XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Change
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	
REVENUE						
Transfers from National Government Ministries	2,000,000		2,000,000	6,029,853	-	4,029,853 (201)
Revenue from Rendering of Services	16,680,560		16,680,560	6,549,994		10,130,566 61
Sale of Good and Services	-		-	111,065	-	111,065
Finance Income	36,000		36,000	-		36,000 100
Other Income	1,909,900		1,909,900	-		1,909,900 100
Total revenue	20,626,460	-	20,626,460	12,690,912	7,935,548	
EXPENSES						
Use of Goods and Services	9,171,864	-	9,171,864	4,221,009		4,950,855 54
Employees Costs	4,932,000	-	4,932,000	1,311,245		3,620,755 73
BOG Members Expenses	590,000	-	590,000	348,230		241,770
Depreciation and Amortization	-	-	-	1,887,868		(1,887,868)
Repairs and Maintenance	360,000		360,000	132,930		227,070 63
Contracted Professional Services	500,000	-	500,000	434,896		65,104 13
Bank Charges	20,000		20,000	4,160		15,840 79
Development Expenses	5,052,596		5,052,596	874,028		4,178,568 83
Total Expenditure	20,626,460	-	20,626,460	9,214,367	11,412,093	

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XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kamukunji Technical and Vocational College is under the Ministry of Education, State department of Technical and Vocational Training. In line with Technical and Vocational Education Training (TVET) Act of 2013 the College has continually imparted its trainees with the necessary knowledge and skills for social economic development in business, science and technology.

The mandate of the institution is to train competent Human Resource for social economic development at TVET level. The College's strategic obligations revolve around promoting Technical Training through access to quality 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 where applicable. 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 No. 18 of 24th July 2012, the State Corporations Act, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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3. **Adoption of new and revised standards**

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

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

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. (Kamukunji Technical & Vocational College has not dealt in Financial Instruments during the Year under review)
IPSAS 42: Social Benefits	Applicable: 1st January 2023 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: <ol style="list-style-type: none"> a. The nature of such social benefits provided by the Entity; b. The key features of the operation of those social benefit schemes; and c. The impact of such social benefits provided on the Entity's financial

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Standard	Effective date and impact:
	<p>performance, financial position and cash flows. (Kamukunji Technical & Vocational College participated in few activities of Corporate Social Responsibility as outlined in Section vii)</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. (Kamukunji Technical & Vocational College has not dealt in Financial Instruments during the Year Under Review.)</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. This improvement did not affect the operations Kamukunji Technical & Vocational College during the Year under Review.</p>
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p>

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Standard	Effective date and impact:
	Kamukunji Technical & Vocational College <i>did not have any leases during the Year under Review.</i>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>Kamukunji Technical & Vocational College did not have any current Assets held for sale during the Year under Review.</p>

iii. Early adoption of standards

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

4. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

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Sale of goods

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

Interest income

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

ii) Revenue from exchange transactions

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Board of Governors in April 2021

Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

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

c) Taxes

Current income tax

The entity is exempt from paying taxes as per First schedule **section 10 subsection (a) and (b)** of the **Income Tax Act 270**.

Sales tax/ Value Added Tax

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

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

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

d) 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 following rates of depreciation were applicable during the year under review:

Buildings	02%
Computers	30%
Furniture	10%
Intangible Assets	10%

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e) 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

f) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) 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

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

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

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benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and purpose of reserves

Kamukunji Technical and Vocational College has not created or maintained any reserves during the year under review.

l) Changes in accounting policies and estimates

The Kamukunji Technical and Vocational College does not recognize the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

m) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Kamukunji Technical and Vocational College, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Chief principal and other Members of the Management as well as the Heads of Departments.

n) 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Comparative figures

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

p) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 A) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES		2021-2022	2020-2021
Unconditional Grants		KSH	KSH
	Capitation	4,305,000	555,000
	Operations		1,500,000
	Helb	1,618,653	-
	CDF	89,200	
	Other Bursaries	17,000	
		6,029,853	2,055,000
		-	-
	Total Grants and Subsidies	6,029,853	2,055,000
		2021-2022	2020-2021
7	RENDERING OF SERVICES	KShs	KShs
	Tuition Fees	3,257,555	5,907,840
	Examination Fees	1,197,410	887,140
	Students Id	-	-
	Caution Money	203,000	
	Personal Emoluments (PE)	1,268,439	
	Electricity, Water and Conservancy (EW&C)	445,090	
	KUCCPS Registration Fees	178,500	
	Total revenue from Rendering of Services	6,549,994	6,794,980
	Adjust for Receivables (Less)	4,965,243	5,118,085
	Value Transferred to the Cash flow Statement	1,584,751	1,676,895

		2021-2022	2020-2021
8	SALE OF GOOD AND SERVICES	KShs	KShs
	Departmental Sales	111,065	-
	Total Sale of Good & Services	111,065	-

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		2021-2022	2020-2021
10	USE OF GOODS AND SERVICES	KShs	KShs
	College Registration		130,000
	Student Tuition Materials (SES)		337,262
	Electricity	202,600	121,000
	Water	53,162	63,599
	Painting & Stationery		304,000
	Telephone Expenses	203,344	38,055
	Travel and Subsistence	81,185	205,000
	Office Equipment		56,766
	Covid-19 Expenses		22,500
	Design and Printing		95,000
	Food Items		261,736
	Internet		14,098
	Increase in Provision for Bad Debts		255,904
	Examination Fees		32,000
	Tuition - Practical Training Materials	536,881	
	KNEC Exams Practical Materials	124,329	
	Educational Tours	19,600	
	Resource Persons/Inhouse Trainings	64,400	
	Deposits	12,450	
	Office Stationery	220,054	
	Printing and Photocopy	132,600	
	Publicity and Advertising	142,272	
	Newspapers	74,964	
	Workshops, Seminars, Trainings and Team Buildings	597,800	
	KNEC Examinations	1,197,410	
	Audit Fees	200,000	
	Survey Title Expenses	44,200	-
	Registration & Statutory Fees	313,758	
		4,221,009	1,936,920
	Adjust for Payables(Less)	560,235	-
	Balance to Cash Flow statement	3,660,774	

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11	EMPLOYEE COSTS	2021-2022	2020-2021
		KShs	KShs
	Salaries and Wages - Training Staff	622,400	96,400
	Salaries and Wages - Non-Training Staff	561,645	288,400
	Casual Labour	127,200	
	Total Staff Costs	1,311,245	384,800
12	BOG MEMBERS EXPENSES		
	Sitting Allowances	348,230	312,511
	Training Expenses	0	422,600
	Total Staff Costs	348,230	735,111
13	REPAIRS AND MAINTENANCE		
	Repairs, Maintenance & Improvement	-	56,790
	Maintenance of Buildings	132,930	-
	Total Repairs and Maintenance	132,930	56,790
14	CONTRACTED SERVICES		
	Security Services	261,869	318,000
	Cleaning Expenses	173,028	42,800
	Total Contracted Services	434,896	360,800
15	FINANCE COSTS	2021-2022	2020-2021
		KShs	KShs
	Bank Charges (current Accounts)	4,160	6,070
	Total Finance Costs	4,160	6,070
16	Valuation Reserves		
	Buildings	53,740,660	53,740,660
	Furniture	3,371,000	3,371,000
		57,111,660	57,111,660

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		2021-2022	2020-2021
17	CASH AND CASH EQUIVALENTS	KShs	KShs
	Current Account	3,016,082	1,375,130
	Others (Cash in Hand)	105,276	-
	Total Cash and Cash Equivalents	3,121,358	1,375,130
17	(a) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS		
	(a) Current Account		
	KCB Bank Ltd : 1273164997	3,016,082	1,375,130
	Sub-Total	3,016,082	1,375,130
	(b) Others (Specify)		
	Cash in Transit		
	Cash in Hand	105,276	
	Sub - total	105,276	-
	Grand Total	3,121,358	1,375,130
18	RECEIVABLES FROM EXCHANGE TRANSACTIONS	2021-2022	2020-2021
	18(a) Current Receivables	KShs	KShs
	Student Debtors	4,965,243	5,118,085
	Sub - Total	4,965,243	5,118,085
	Less Impairment Allowance (5%)		255,904
		4,965,243	4,862,181
19	INVENTORIES		
	Maintenance Stores	47,420	5,000
	Total Inventories at Lower of Cost and net realizable Value	47,420	5,000
20	(a) Property Plant and Equipment	2021-2022	2020-2021
		KShs	KShs
	Land	-	0
	Buildings	51,591,034	52,665,847
	Computers	984,900	0
	Furniture	3,191,491	3,033,900
	Intangible Assets	-	0
		55,767,425	55,699,747
	(b) Depreciation and Amortization	2021-2022	2020-2021
		KShs	KShs
	Buildings	1,074,813	1,074,813
	Computers	422,100	-
	Furniture	390,955	337,100
	Intangible Assets	-	-

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		1,887,868	1,411,913
21	TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS	2021-2022	2020-2021
		KShs	KShs
	Fees Paid in Advance	1,355,883	
	Other Payables (NTTI)	360,235	
	Trade Payables		
	Audit Fees	200,000	
	Total Trade and Other Payables	1,916,118	-
	Less : Fees Paid in Advance	1,355,883	
	Trade Payables	560,235	
22	Revenue Reserves		
	Reserves brought forward	3,957,576	0
	(Deficit) /Surplus for the Year	4,350,573	3,957,576
	Reserves carried forward	8,308,149	3,957,576
23	Accumulated Fund/ Reserves		
	Reserves brought forward	872,822	
	Conditional Grants Received		
	Transfers during the Year	(3,434,481)	872,822
	Reserves Carried forward	(2,561,659)	872,822

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APPENDIX 1: PROGRESS ON
RECOMMENDATIONS

FOLLOW UP OF AUDITOR

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unsupported Balances in the Financial Statements	<p>This was the first Year of Operation. This amount shown as capital fund is the increase in value of the institution as a result of the day to day operations.</p> <p>The Institution has not done any valuation of its Properties. The only value that is available is the cost of construction of the buildings plus any items that has been purchased since inception.</p> <p>The equipment was a donation which has not been valued.</p> <p>The BOG has undertaken the process of acquiring the Title for the Land on which KTVC sits.</p>	Principal	Partly Resolved	By end of FY 2022-2023
2	Receivables	The receivables have now been analyzed and	Accountant	Resolved	By end of FY

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	from Exchange Transactions.	the aging has been appropriately done.			2021-2022
	Budgetary Control and Performance	This was the first year of operation. An approved budget for the Year 2021-2022 has been done and has been effectively utilized during this year under review. The requisite explanatory notes have been provided during the FY 2021-2022	Principal/Accountant	Resolved	During FY 2021-2022
	Lack of Policy Documents	The Management in Conjunction with the BOG has embarked on the development of the Various policies that are required for the effective operations of the Institution.	Principal	Not Resolved	By end of FY 2023-2024



SIMON GATHII NJOROGE
PRINCIPAL/SECRETARY BOG
Date.....29/9/2022.....

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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

	Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements
1							
3							
4							
5							
6							

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APPENDIX III: STATUS OF PROJECTS COMPLETION

		Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
3							
4							
5							
6							

NB. This is a new institution and has not embarked on any projects.

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER
GOVERNMENT ENTITIES

6 B) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES					
Name of the Entity Sending the Grant	Amount Recognized to Statement of Comprehensive Income	Amount Deferred under deferred Income	Amount Recognized in Capital Fund	Total Grant Income During the Year	Prior Year 2020/2021
MoE, State Dept. for VT	4,305,000			4,305,000	2,055,000
HELB	701,570			701,570	
CDF	89,00			89,00	
Other Bursaries	17,100			17,100	

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APPENDIX V: FIXED ASSETS SCHEDULE

Property, Plant and Equipment	Buildings	Computers	Furniture	Intangible Assets	Total
	Ksh	Ksh	Ksh	Ksh	Ksh
	2.00%	30%	10%	10.00%	
COST					
Cost as at 1st July 2020	53,740,660		3,371,000		57,111,660
Additions for the Year		1,587,774	256,000	257,974	2,101,748
Valuations for the Year					-
Disposals in the Year					-
Gain(Loss)on Disposal					-
Cost as at 30 June 2021	53,740,660	1,587,774	3,627,000	257,974	59,213,408
Depreciation As at 1st July 2020					-
Charge for the year	1,074,813	476,332	362,700	25,797	1,939,643
Disposal During the Year					-
Depreciation as at 30 June 2021	1,074,813	476,332	362,700		1,913,845
Net Book Value as at 30th June 2021	52,665,847	1,111,442	3,264,300	257,974	57,299,563
Cost as at 30 June 2021	53,740,660	1,587,774	3,627,000	257,974	59,213,408

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Property, Plant and Equipment	Land	Buildings	Plant, Machinery and Equipment	Motor Vehicles	Computers	Furniture	Intangible Assets	Total
	Ksh	Ksh 2.00%	Ksh 10.00%	Ksh 25%	Ksh 30%	Ksh 10%	Ksh 10.00%	Ksh
COST								
Cost as at 1st July 2021		53,740,660	-	-	-	3,271,000	-	57,011,660
Additions for the Year								
Valuations for the Year					1,407,000	638,546		2,045,546
Disposals in the Year								-
Gain(Loss)on Disposal								-
Cost as at 30 June 2022								
	-	53,740,660	-	-	1,407,000	3,909,546	-	59,057,206
Depreciation As at 1st July 2021								
Charge for the year	-	1,074,813	-	-	-	327,100	-	1,401,913
Disposal During the Year		1,074,813	-	-	422,100	390,955	-	1,887,868
Depreciation as at 30 June 2022								
	-	2,149,626	-	-	422,100	718,055	-	3,289,781
Net Book Value as at 30th June 2022								
	-	51,591,034	-	-	984,900	3,191,491	-	55,767,425
Cost as at 30th June 2022								
	-	53,740,660	-	-	1,407,000	3,909,546	-	59,057,206