

REPUBLIC OF KENYA



*Enhancing Accountability*



PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**


**OF**

**THE AUDITOR-GENERAL**

**MABERA TECHNICAL AND VOCATIONAL  
COLLEGE**

**FOR THE YEAR ENDED**

**30 JUNE, 2024**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: 17 JUN 2024	
DAY: TUESDAY	
TABLED BY:	LEADER OF THE MAJORITY PARTY
CLERK-AT THE-TABLE:	WILLIS OBIERO

MABERA TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024



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**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)  
MABERA TECHNICAL & VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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

MABERA TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024



2024 2024 E.S.

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## 1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
KNEC	Kenya National Examination Council
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the Mabera TVC



## 2. Key Information and Management

### (a) Background information

The Mabera Technical and Vocational College was incorporated/ established under the TVET Act 2013 Act on (September 2019). The entity is domiciled in Kenya and has no branches. The institute is under the Ministry of Education State department of Vocational and Technical Training.

Mabera Technical & Vocational College is situated along the main highway Migori-Sirare, 200m away from Mabera town. The centre is located in Migori County, Kuria West sub-County, Kuria West constituency, Kubweye location, Mabera Sub location. The centre sits on a 5-acre piece of land and experiences high rainfall conducive for agricultural practice. The MTVC operates within the mandate of Ministry of Education which provides the general policy and strategic direction on Kenya's higher Education. The centre currently has 49 staff of which 39 are teaching staff and 10 support staff. The MTV has the following departments Hospitality, Business, Electrical and Electronics, Motor Vehicle engineering, Building and Civil engineering. Mabera Technical and Vocational College is a centre of excellence for Hospitality.

### (b) Principal Activities

The core mandate of Mabera Technical & Vocational College is to offer training to Students in technical courses and entrepreneurship courses as per the industry needs and examined by KNEC and KASNEB.

#### **Vision**

A centre of excellence in, technical and vocational skills development to meet societal needs.

#### **Mission**

To develop qualified, self-motivated, globally competitive, innovative persons through practical oriented, training, applied research and entrepreneurial skills that are responsive to societal needs.

#### **Motto**

Technology for peace and development.

#### **Core values**

- ❖ Professionalism
- ❖ Integrity
- ❖ Innovativeness
- ❖ Team work
- ❖ Accountability and transparency

### (c) Key Management



Mabera Technical and Vocational College is managed by the Board of Governors, appointed by The Cabinet Secretary in charge of Education. The B.O.G. provides leadership in; policy direction and ensures that the institutes programmes and activities are in line with its mandate and set objectives. The principal is the secretary to the Board and executes all policies in line with the institute's core mandate. The principal is assisted by two deputies who are in charge of Administration and Academics. charge of the day-to-day activities of the school, all the non-teaching staff and implementation of the curriculum. The heads of departments report to the deputy principal Academics.

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Principal	Beatrice Atieno
2.	Deputy principal - Academics	Janet Atuya
3.	Deputy principal -Finance and Administration	William Opondo
4.	Ag. Registrar	Mogotu Bonface Momanyi
5.	Ag. Dean of students	Dennis Onchwari
6.	Head of Finance	Chacha Jackson Maroa
7.	Head of Procurement	John Monday



**(e) Fiduciary Oversight Arrangements**



*Finance Infrastructure and ICT committee in a meeting*

The Board has the overall mandate of ensuring the sound management of the college. This includes; Approving policies, strategic governance, planning and reviewing policies and plans, approving budgets, quarterly and annual financial statements.

The Management team has the responsibility of ensuring that the policies approved by the Board are implemented and enhancing sound financial management for effective operations.

As at the end of financial year Mabera Technical and Vocational College have two committees that is Finance Infrastructure and ICT committee and Education Training committee activities.

The key fiduciary personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary oversight responsibility were;



Name of the Committee	Members
Finance Infrastructure and ICT Committee	1.CPA Stellah Kilwake-Chairperson 2.Mrs Beatrice Atieno - (Principal/ BOG Secretary) 3. Eng. John kisyula-Member 4.Mrs. Jane Akinyi Nyasoro-Member
Education Training Committee	1.Mrs. Mary Motongori Gikuri- Chairperson 2.Mrs. Jane Akinyi Ochieng-Member 3. Dr. Peter Ouma Odhiambo -Member. 4.Mrs Beatrice Atieno - (Principal BOG/Secretary)
Auditing and Risk Committee	1. Dr. Peter Ouma Odhiambo - Chairperson 2.Mrs Cecilia Isandah kokello -Member 3.Mrs Mary Motongori Gikuri-Member 4.Mrs Callfax Nanyuki (Internal Auditor)



**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(f) Entity Headquarters**

P.O. Box 205-40414  
Mabera Centre  
Migori-Sirare Highway  
Isebania, KENYA

**(g) Entity Contacts**

Telephone: (254) 795476528  
E-mail: maberatvc@gmail.com  
Website: www.maberatvc.ac.ke

**(h) Entity Bankers**

Kenya Commercial Bank Ltd,  
Isebania Branch,  
P.O. Box 134-40414  
Isebania, Kenya

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**




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

## Technical And Vocational Education Training (Tvet)



### Mabera Technical & Vocational College

Annual Report and Financial Statements for the year ended 30th June 2023


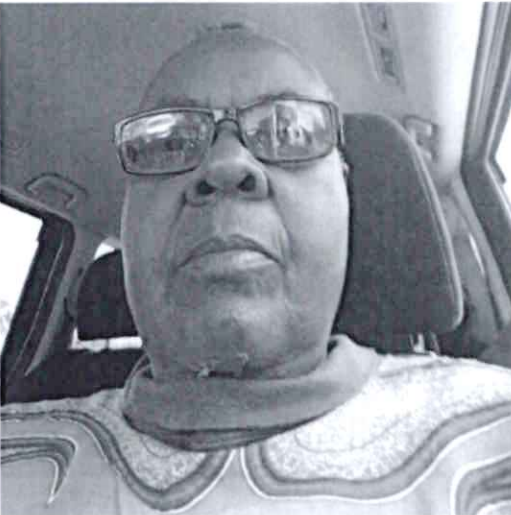
#### 3.The Board of Governors

No.	Member/ Director	Details
1.	 Mr. Joseph Boke Masiaga BoG Chairperson	<p><b>Appointment:</b> 31<sup>st</sup> August 2022 <b>Inauguration:</b> 06<sup>th</sup> October 2022. <b>Mr. Masiaga holds</b> a Bachelor of Business Administration Finance Option from the University of Maseno. He has vast experience in banking having worked as at various positions up to the level of Branch Manager at KCB-Isibania.</p>
2.	 Mrs. Cecilia Isandah Kokello BoG Member	<p><b>Appointment:</b> 31<sup>st</sup> August 2022 <b>Inauguration:</b> 06<sup>th</sup> October 2022. <b>Qualifications:</b> Holds a Master's Degree (Educational Foundation) and a Master's Degree (Distance Education), PGDE, and B.Arts <b>Work Experience:</b> Secondary School Principal for over 20 year. Currently Cecilia is running a business in hospitality.</p>
3.	 Mrs. Stellan Kilwake Chairperson Finance Infrastructure and ICT Committee.	<p><b>Appointment:</b> 31<sup>st</sup> August 2022 <b>Inauguration:</b> 6<sup>th</sup> October 2022. <b>Qualifications:</b> Bachelor of Commerce Finance Option. Certified Public Accountant (CPA). Credit Management and Debts Recovery (TCA). Certificate in Computer Operations. <b>Work Experience:</b></p>




		<p>Finance officer at Kenya Institute of Risk Management.</p> <p>Part time lecturer in accounting at Defence Forces Pay and Clerical Training School.</p>
4.	 <p>Eng. John Kisyula BoG Member</p>	<p><b>Appointment:</b> 31<sup>st</sup> August 2022  <b>Inauguration:</b> 6<sup>th</sup> October 2022  <b>Qualifications:</b> Bachelor of Science in Mechanical Engineering in computer Aided Design and Manufacturing (CAD/CAM) CITD India, a Bachelor of Science in Information Communication Technology, Diploma in Technical Education from KTTC, Teacher Self Image I and II (Strathmore University) Senior Management Course, (SMC) KSG Embu, Small and Medium Business Corporation, ASAN South Korea and Senior Leadership Development Programme (SLDP) KSG Baringo. Eng  <b>Work Experience:</b> Deputy Director Ministry of Industrialization, Trade and Enterprise Development.</p>
5.	 <p>Mrs. Jane Akinyi Nyasoro BoG Member</p>	<p><b>Appointment:</b> 31<sup>st</sup> August 2022  <b>Inauguration:</b> 6<sup>th</sup> October 2022.  <b>Qualifications:</b> Bachelor of Business Information and Technology (BBIT). Certificate in Cisco Certified Network Associate.  <b>Work Experience:</b> Information Technology (IT) officer at Plan International Kenya. Sponsorship Data Clerk at Plan International Kenya. Research Assistant at Plan International.</p>






6.	 <p style="text-align: center;">Dr. Peter Ooko Ouma BOG Member</p>	<p><b>Appointment:</b> 31<sup>st</sup> August 2022  <b>Inauguration:</b> 6<sup>th</sup> October 2022  <b>Qualification:</b> PhD in environmental Education from Kenyatta university a Master of Science in Agriculture Education from Egerton University and a Bachelor of Science Agricultural Education and Extension from Egerton University also holds a Diploma in Education Management from Kenya Education Management Institute.  <b>Work Experience</b>                  Has experience as a secondary school principal and a teacher of Agriculture and Biology, a part time lecturer and kisii university and a lecturer at Eldoret university. Currently is a private consultant.</p>
7.	 <p style="text-align: center;">Mrs. Mary Motongori Gikuuri BoG Member</p>	<p><b>Appointment:</b> 31<sup>st</sup> August 2022  <b>Inauguration:</b> 6 October 2022.  <b>Qualifications:</b> Master in Education Management.  <b>Work Experience:</b>                  Chairperson Examination Board at Public Service Commission.                  Acting vice chairperson at Public Service Commission.                  Member at Public Service Commission                  Director at Father Angelo                  Principal at Nyaroha Girls High School.                  Patron at Kuria Disability Network.                  Deputy head teacher at Moi Nyabohanse High School.                  Assistant teacher at Ndururumo High School.                  Mrs. Mary chairs the Education Training committee activities</p>
8.	<p style="text-align: center;"><b>Dr. John Osoro Nyangweta</b> Regional Director TVET</p>	<p>Dr. Osoro Nyangweta is currently the Deputy Director in charge of Planning, Research, Outreach and Policy at the Kenya National Qualifications Authority of the Ministry of Education, Kenya. He has worked for 16 years in the Ministry of Education. He gained vast experience in quality assurance, research, data processing and technical Education at helm of Education in Kenya. His areas of expertise are inclusive of Planning, Research, outreach and</p>



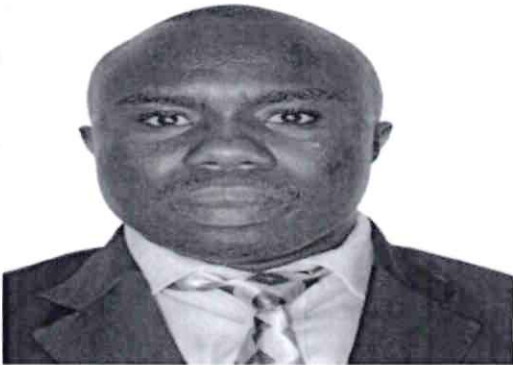


		<p>policy. He has published multiple concept papers in renowned international journals of high reputation. He has also worked as a part-time lecturer in the University Nairobi and Rongo University</p>
<p>9.</p>	 <p>Mrs Beatrice Atieno Nyareki Kelly Principal/Secretary to the Board</p>	<p><b>Qualifications:</b> MDS (Masters in Guidance and Counselling) <b>Work Experience:</b> Diploma in Technical Education. Bachelor of Education with Guidance and Counselling. Masters of Education in guidance and Counselling.</p>



#### 4. Key Management Team

No.	Member/ Director	Details
1.	 <p>Mrs Beatrice Atieno Nyareki Principal/Secretary to the Board</p>	<p><b>Qualifications:</b> Diploma in Technical Education Institution Management Bachelor of Education with guidance and Counselling Masters of Education in Guidance and Counselling</p> <p><b>Work Experience:</b> Bumbe TTI -2 Yrs. Kisii National Polytechnics- 27 yrs Mabera TVC- 9<sup>th</sup> July 2024 to date</p>
2.	 <p>Janet Atuya Deputy principal-Academics Bachelor of Education in Technology Education (Building and Construction Technology)</p>	<p>Mrs Janet Atuya deputizes the principal and she is in charge of disciplinary issues concerning students. Ensures academic time tables are made in time. Also ensures that the lessons that appear on the timetable are adequately taught.</p>
3.	 <p>ENG. WILLIAM OPONDO Trainer In Building And Civil Engineering Department</p>	<p>ENG. WILLIAM OPONDO INCHARGE OF:</p> <ol style="list-style-type: none"> <li>1. General Workers Welfare</li> <li>2. Students Discipline</li> <li>3. Infrastructure Maintenance</li> <li>4. Keeping Conducive Environment</li> <li>5. Prudent Resource Utilization</li> <li>6. Resources Mobilization</li> </ol>



	<p>Deputy Principal In Charge Of Administration, Finance And Planning</p> <p>BACHELOR OF TECHNOLOGY CIVIL AND STRUCTURAL ENGINEERING</p>	
4.	 <p>Mogotu Bonface Ag. Registrar (Bachelor of Science in Electrical</p>	<p>Mr Mogotu Bonface Momanyi ensures that term programmes, students who apply for courses in the institute meet the relevant requirements for admission. She is also in charge of marketing of institute courses to ensure increase in enrolment.</p>
5.	 <p>Dennis Boera Onchwari Ag. Dean of Student (Bachelor of Science in Comp. Science and Mathematics)</p>	<p>Mr. Dennis is the Dean of Students who is in charge of student affairs i.e. process boarding issues accommodation and disciplinary.</p>
5	<p>Mr. Chacha Jackson Maroa</p> 	<p>Mr Jackson is in charge of institution finances, preparing financial reports and give financial advisory to the institution.</p>



	<p>Ag. Finance Officer Member of ICPAK</p>	
<p>6.</p>	<div data-bbox="363 331 874 667" data-label="Image"> </div> <p data-bbox="531 674 767 734">                     John Monday Chacha Procurement Officer                 </p> <p data-bbox="387 734 911 763">                     Bcom (Logistic and Supply Chain Management)                 </p>	<p data-bbox="959 501 1401 591">                     Mr Chacha is in charge of institution procurement department and advises the institution on procurement related issues.                 </p>



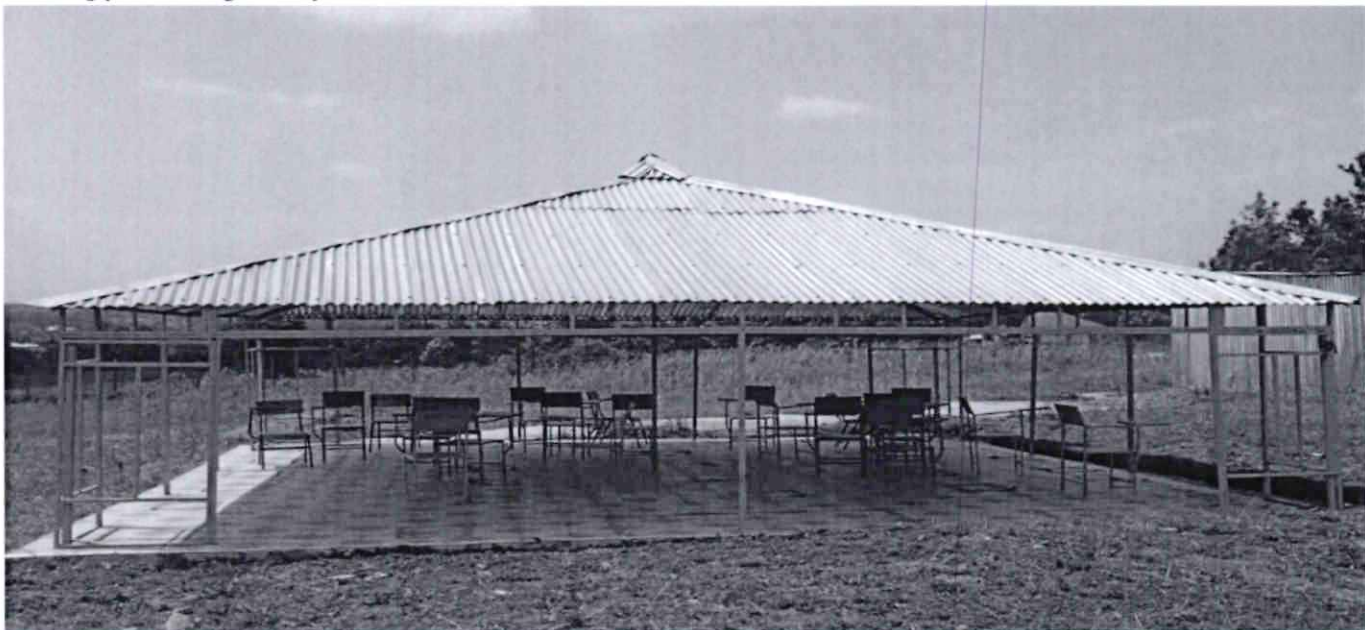
## 5. Chairman's Statement

On behalf of Mabera Technical and Vocational College, I'm pleased to present the Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2024. These statements are prepared in conformity with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standards (IASs).

Further, the statements incorporate the requirements of Article 81 of the public finance management Act, 2012 and the National treasury guidelines with regards to adoption of IPSAS. Despite the significant successes over the period, the college continued to face challenges including insufficient funding, inadequate infrastructure and staff. Despite all this Mabera Technical and Vocational College managed to buy training materials and do some projects. To improve its financial position, the college has embarked on implementing various austerity measures to monitor and rationalize its financial expenditures, as well, trying to talk with other stakeholders to help in construction of more classrooms and improve its income generating unit.



Washing points along the way





More advance temporary leaning make-shift



Class session is on along the corridors'

A handwritten signature in dark ink, appearing to be 'Joseph Boke Masiaga', written over a horizontal line.

.....  
**MR. JOSEPH BOKE MASIAGA – BOARD CHAIRPERSON  
ON BEHALF OF BOARD OF GOVERNORS**



## 6. Report of the Principal

It is my great pleasure to present the Annual Report and Financial Statements for the year ended 30<sup>th</sup> June, 2024. This has been a year of new challenges but also a year when the Mabera Technical and Vocational College achieved significant milestones.

Mabera Technical and Vocational College performance during the year under review is impressive despite being its maiden year since inception. The government capitation still remains as the institute's main source of income.

The college has continued with its core business of disseminating knowledge through, training and innovation. The current student population as at 30<sup>th</sup> June 2024 was 460 and is expected to increase to over 1000 by the end of this year.

### Development partners projects

Currently there is no construction ongoing.

### Income.

Mabera Technical and Vocational College earned Kshs 36,086,640

### Expenses

The college incurred Kshs 29,624,599 in recurrent expenses for the financial year 2023/2024.

### Forest Cover



### Washing points

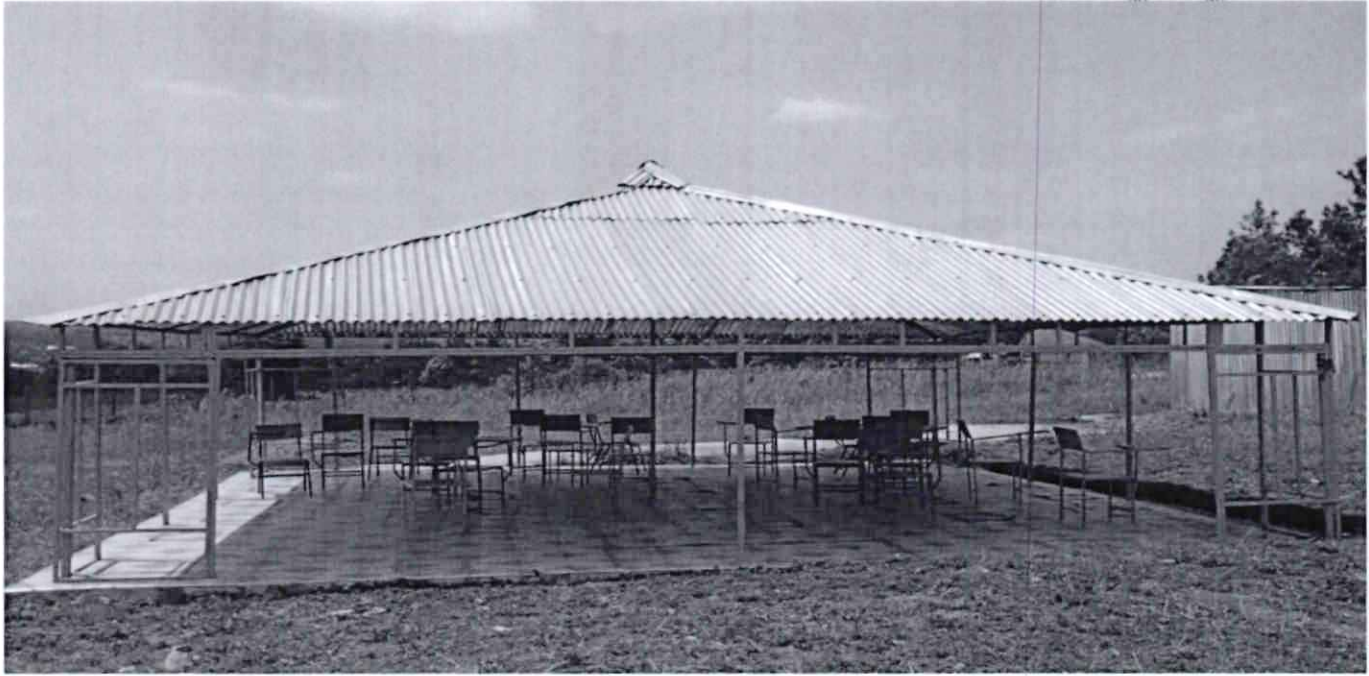
Mabera Technical and Vocational College has planted 6000 trees to combat climate change as per the government of Kenya transformation agenda



Various stakeholder during the event organised by student leaders of universities and colleges.



Students during agricultural practical lesson.



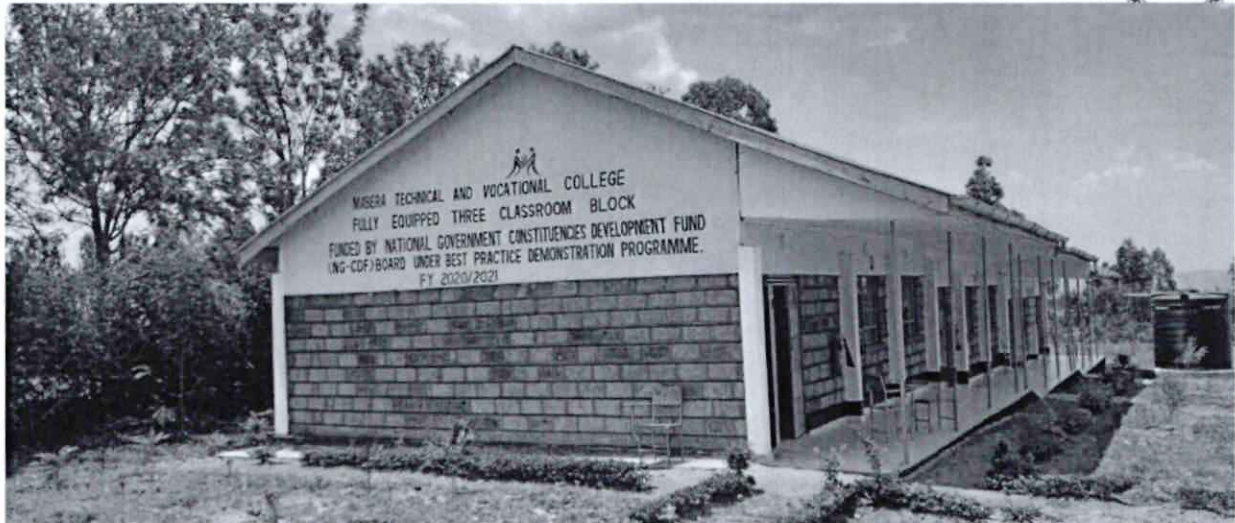
**More advance temporary leaning make-shift**

Mabera Technical and Vocational College decided to replace the roofing of the temporary learning structures which were tents with iron sheets this is because the area is prone of the strong winds which used to damage the tent roofing making it quite expensive to repair each and every time.



**Class session is on along the corridors'**

Due to inadequate classrooms to accommodate our growing students' numbers this has forced us to use corridors as learning places.



### **Three classroom Fully equipped-Constructed by NG-CDF board**

#### **Strategic Implementation**

Mabera Technical and Vocational College will adopt Strategic Reporting in 2022 and is implementing its Strategic Plan for 2024-2027. In acknowledging that the journey towards integrated thinking and reporting is one that requires a great deal of commitment from all who undertake it, the College is making an attempt to move towards incorporating the strategic plan objectives into its Integrated Reporting framework. This journey has begun to shape the way the institution describes what it does, and it is reinforcing conversations and discussions within departments and with stakeholders about our purpose and our plans for the short, middle and even long-term. The journey is also increasing transparency in reporting, is ensuring closer monitoring of our activities to measure the impact of our actions in the environment we are to operate through performance contract targets. Our management discussion and analysis on page 4 explains how we are shaped by our external environment as well as our vision and strategy, risks and opportunities and the interdependencies among key resources.

#### **Conclusion**

On behalf of Mabera Technical and Vocational College management and staff, I wish to take this opportunity to thank the Government, our Development partners and all Stakeholders for their continued support.

Finally, I would like to express my sincere gratitude for constituting the College Board of Governors to help provide, policy and strategic guidance, the entire college staff and students who have worked tirelessly to ensure smooth running of Mabera Technical and Vocational College.

Thank you.

A handwritten signature in black ink, appearing to read 'Beatrice A. Nyareki'.

.....  
**Beatrice A. Nyareki**  
**PRINCIPAL/ C.E.O**



## **7. Statement of Performance against Predetermined Objectives**

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

Mabera Technical and Vocational College had the following strategic pillars/issues/ themes and objectives in the FY 2023/2024.

Cultivate dynamic training experiences that evolve with the market demands. Mabera Technical and Vocational College cultivated its training experiences to the market demand dynamic, by focusing on trainings that goes with market trend both locally and globally.

Enhance students' enrolment and retention, Mabera Technical and Vocational College had devised on various ways of students enrolment and retention, since there is a lot of competition for other higher and tertiary learning institutions retaining students sometimes become a bit challenge Mabera has ensure that all the enrolled students get quality training, learning materials and conducive learning environment.

Advancing technical training through partnerships and alliances with external stake holders, Mabera Technical and Vocational College has been partnering and making alliances with stake holders to advance technical training through exchange of programmes with stakeholders.

Improve on the infrastructure and learning environment to strengthen Mabera Technical and Vocational College financial sustainability, currently there is on-going construction of three class rooms within the compound of Mabera Technical and Vocational College this will accommodate the increase number of students and intern in the fees collection. Mabera Technical and Vocational College has bought modern training materials.

Utilize modern technology to improve operation processes and promote an environment of innovation. Mabera Technical and Vocational College has been encouraging both the trainees and trainers to take advantage of its modern infrastructures technology for innovation.

Retain a competent and motivated workforce, Mabera Technical and Vocational College has human resource policy that provides a guidelines on how to recruit, motivate and retain a competent staff. By this Mabera Technical and Vocational College has been able to recruit competent staff and retain them by providing them with a good working environment, recognising their effort and appreciating the employees this has made employees to remain loyal to the institution.



## 8. Corporate Governance Statement

### Introduction

Mabera Technical and Vocational College is governed by Board of Governors and as per the TVET Act 2013. Which gives the Board of Governors all the necessary powers for the proper performance of its functions under the act and in particular, without prejudice to the generality of the forgoing, the board of governors shall have powers to:

- Manage, supervise, and administer the assets of the Institute in such a manner as best promotes the purpose for which the institute is established.
- Receive any grants, donations or endowments on behalf of the institution and make legitimate disbursements.
- Approval of the budgets, making policies and opening of bank accounts for the funds of the Institute.

### Governance Principles.

It is our view that *governance* is not just a matter for the Board; a good governance culture must be percolated through the institute system. The current socio-economic, business and political environment in which the Institution operates, underscore the need for continued high standards of corporate governance and accountability.

The emerging realities unmasked with the promulgation and implementation of the new Constitution, an enlarged space for expression and a more enlightened clientele, calls for diligence in governance.

Mabera Technical and Vocational College is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens Board and management accountability and helps build public trust in the College.

The Board is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, science and technology to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Board serves as the ultimate decision-making body of the college, except for those matters reserved to or shared with the Government of Kenya. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the college in line with the Technical, Vocational, Education & Training Act of 2013 and the constitution of the Republic of Kenya.

The Board has established Corporate Governance Guidelines which provide a framework for the effective governance of the college. The guidelines address matters such as the Governing Board's Vision and mission, overall strategy, members' responsibilities, Board committee structure, recommendation of the Chief Executive Officer, Over-sighting the performance and evaluation of management. The Board regularly reviews developments in corporate governance and updates the Corporate Governance Guidelines and other governance materials as it deems necessary and appropriate.

The College's corporate governance materials, including the Corporate Governance Guidelines, the College's legal order, the terms and reference for each Board committee, the Institute's Codes of Business Conduct, information about how to report concerns about the college and the college's public policy engagement and technological contributions policy.



**Size and composition of the Board.**

The board consists of nine (9) board members and the Principal as their Secretary who poses extensive experience in a variety of disciplines all of which are applied in the overall management of the institute. The board has the right balance of skills and experience appropriate for the requirements of the Institute, all members participate in the decision making and the board operated effectively during the year and continues to do so. (The board has two Organs, Committee with six members and Full Board with all the nine.)

**Board meetings.**

The technical board meeting was as follows, committee meets four(4) times and full board five (5) times and Special Meetings took place two(2) in the just ended financial year. Members receive adequate notice and board papers in advance to enable them review and prepare for the meeting. The following table shows the number of Board meeting held during the financial year plus the attendance of individual Board members.

**Financial year Board meetings**

		<b>Committee Meetings</b>	<b>Full Board Meetings</b>	<b>Special/Emergency Meetings</b>
	<b>Board Members</b>	<b>Meetings</b>	<b>Meetings</b>	<b>Meetings</b>
1.	Mr. Joseph Boke Masiaga		5	2
2.	Mrs. Cecilia Isandah	2	5	0
3.	Mrs. Stellah Kilwake	5	5	2
4.	Dr. Peter Ouma	5	5	0
5.	Mrs. Mary Motongori	5	5	2
6.	Ms. Jane Akinyi Nyasoro	8	5	0
7.	Eng. John Kisyula	5	5	0
8.	Mrs Lina Ayako	8	5	0
9.	Mr. Stalin Olwenge	10	5	0

**Summary of Both Board and Committee Meetings Held**

**Finance and Infrastructure**

<b>NAME</b>	<b>DATE INVITED TO ATTEND THE MEETING</b>	<b>Attendance</b>
Stellah Kilwake	3/8/2023,22/9/2023,22/1/2024,12,4/2024	Attended all the 4
Eng John Kisyula	3/8/2023,22/9/2023,22/1/2024,12,4/2024	Attended 3
Jane Nyasoro	3/8/2023,22/9/2023,22/1/2024,12,4/2024	Attended all the 4
Stalin Olwenge	18/7/2023,	Attended all the 4
Lina Ayako	29/9/2023,8/2/2024,22/4/2024 18/7/2023, 29/9/2023,8/2/2024,22/4/2024	None

**EDUCATION COMMITTEE**



NAME	DATE INVITED TO ATTEND THE MEETING	Attendance
Mary Gikuuri	23/1/2024, 16/4/2024	Attended all the 2
Dr Peter Ouma	23/1/2024, 16/4/2024	Attended 1
Jane Nyasoro	23/1/2024, 16/4/2024	Attended 1
Stalin Olwege	23/1/2024, 16/4/2024	Attended 2

#### Audit and Risk Committee

NAME	DATE INVITED TO ATTEND THE MEETING	Attendance
Peter Ouma	24/1/2024, 18/4/2024	Attended 1
Mary Motongori Gikuuri	24/1/2024, 18/4/2024	Attended 1
Cicilia Isanda	24/1/2024, 18/4/2024	Attended 1
Lina Ayako	24/1/2024, 18/4/2024	Attended 1
Callfax Nyanyuki	24/1/2024, 18/4/2024	Attended 1

#### Full board Meeting

NAME	DATE INVITED TO ATTEND THE MEETING	Attendance
Tom Olango		
Joseph Masiaga	18/7/2023 , 29/9/2023,8/2/2024,22/4/2024	Attended all the 4
Stalin Olwenge	18/7/2023, 29/9/2023,8/2/2024,22/4/2024	Attended all the 4
Stellah Kilwake	18/7/2023, 29/9/2023,8/2/2024,22/4/2024	Attended 3
Mary Gikuuri	18/7/2023, 29/9/2023,8/2/2024,22/4/2024	Attended all the 4
Cecilia Isanda Kokello	18/7/2023, 29/9/2023,8/2/2024,22/4/2024	Attend all the 4
John Kisyula	18/7/2023, 29/9/2023,8/2/2024,22/4/2024	Attended all the 4
Peter Ouma	18/7/2023, 29/9/2023,8/2/2024,22/4/2024	Attended 2
Jane Nyasoro	18/7/2023, 29/9/2023,8/2/2024,22/4/2024	Attended 2
Lina Ayako	18/7/2023, 29/9/2023,8/2/2024,22/4/2024	None
Betty Samburu	18/7/2023, 29/9/2023,8/2/2024,22/4/2024	Attended all the 4

#### Special Board Meeting

NAME	DATE INVITED TO ATTEND THE MEETING	Attendance
Tom Olango		
Joseph Masiaga	5/7/2023 Interview panel 11/10/2023 PC Negotiation 8/5/2024 Ratification of shortlisting report 23/5/2024 Ratification of recruitment report	✓
Stalin Olwenge	5/7/2023 Interview panel	✓



	11/10/2023 PC Negotiation 8/5/2024 Ratification of shortlisting report 23/5/2024 Ratification of recruitment report	
Stellah Kilwake	11/10/2023 PC Negotiation 8/5/2024 Ratification of shortlisting report 23/5/2024 Ratification of recruitment report	✓
Mary Gikuuri	8/5/2024 Ratification of shortlisting report 23/5/2024 Ratification of recruitment report	✓
Cecilia Isanda Kokello	8/5/2024 Ratification of shortlisting report 23/5/2024 Ratification of recruitment report	✓
John Kisyula	8/5/2024 Ratification of shortlisting report 23/5/2024 Ratification of recruitment report	✓
Peter Ouma	8/5/2024 Ratification of shortlisting report 23/5/2024 Ratification of recruitment report	✓
Jane Nyasoro	8/5/2024 Ratification of shortlisting report 23/5/2024 Ratification of recruitment report	✓
Lina Ayako	8/5/2024 Ratification of shortlisting report 23/5/2024 Ratification of recruitment report	✓
Betty Samburu	8/5/2024 Ratification of shortlisting report 23/5/2024 Ratification of recruitment report	✓



## **9. Management Discussion and Analysis**

### **Financial Performance Review**

In the financial year 2023/24, Mabera Technical and Vocational College started the financial year with a cash balance of Kshs. 1,223,360 and collected Kshs 9,257,000 from the Government as recurrent income (capitation), 4,622,603 from HELB. The College collected Kshs 35,580 from sale of food, Kshs 21,005,161 in form of fees, and Income from other sources Mabera Technical and Vocational College received Kshs. 1,166,296. The national Ng-CDF constructed a three class room block. These funds enabled the College to achieve several milestones including enhancement in infrastructural development, academic activities and refurbishment of its facilities. Am happy to inform you that the building is now being operationalized by the college where students' practical are being taken. The expansion of infrastructure has allowed admission of more students into the college which supports the government goal of expanding access to education. Mabera Technical and Vocational College at the end of the financial year there had no outstanding statutory as Mabera Technical and Vocational College complied with statutory requirements.

### **Student and Academic Matters**

There were 460 students enrolled in various programs in the different department. This number is expected to rise to over 1,000 in FY 2023/2024 following the ne admission of 600 students to the college.

### **Quality Education**

Mabera Technical and Vocational College has reviewed, harmonized and developed new academic programmes in line with TVETA recommendations. In this financial year, 5 new academic programmes were developed and submitted to TVETA for evaluation and processing for accreditation. All the existing programmes have also been reviewed, harmonized and subjected to the internal quality assurance and control systems.

### **Governance**

The College has ensured that staff and students participate in college governance through Students disciplinary Committee; cultural celebrations, and graduations. Students have also been facilitated with appropriate communication channels which include elected students' leaders

### **Co-curriculum Activities**

Students have been supported to participate in co-curricular activities such as games and sports (volley ball, football, and athletics), music and drama festivals. Other activities include cultural weeks;

### **Human Resource Matters**

On human resource matters, the college has a human resource office where matters concerning recruitments are being carried on. In the interest of employee development, the College has continued to facilitate both academic and administrative staff going for conferences, workshops, trainings and even further studies whenever possible.



### Higher Education Funding

Increasingly, TVET's are finding themselves over budgeted and underfunded; this is not only a local trend, but a global one. While the government has continued to be the major source of funding, it is clear that the College must strategize on how to raise additional funding. To improve on resources, board approved seed money to various income generating units. This has enable the college raise additional funding to supplement government capitation and also this one awaits government policy of IGU in TVET institutions.

### Challenges

The number of students keeps on fluctuating as a result of students dropping out of school due to lack of school fee. Mabera Technical is also facing the financial difficulties inadequate finance to implement its budget fully this as a result of inadequate funding from government and HELB not allocating fund to students on time this leaves the college to operate ineffectively.

Inadequate learning facilities is also posing a big challenge as administration had to create temporary class rooms along the corridors of the building and building temporary structures for learning.

### Opportunities and risks facing Mabera Technical and Vocational College

Opportunities	Threats
Potential for collaboration & Linkages	Competition from other TVCS
High demand for technical skills	Rapid Technological changes
Centralized placement of new students by KUCCPS	Rapid changes of policy
Positive perception of TVET by the Public	Rigid KICD Curriculum
Demand for short term courses	High cost of training in practical skills
Access to student loans & bursaries from H.E.L.B, county & NGCDF	Unpredictable job market
Government support	Formal employment culture in the society
	Lack of adequate land for expansion for agriculture and infrastructure expansion.
	Lack of play field.
Enabling legal & policy framework	Unfavourable economic changes
	cybercrime
	HIV/ AIDS drugs and substance abuse



### **10. Environmental and Sustainability Reporting Statement**

In pursuit of its commitment to environmental sustainability, the college in 2023/2024 has been in the forefront to lead at all levels, local, national, regional and international community in demand driven environmental technology development, best practices and innovations. The college undertook the following activities:

Planted over 600 trees within the college.

#### **Sustainability strategy and profile**

Despite being new institution with limited resources Mbera Technical and Vocational College has achieved a lot and at the same time has faced a lot of challenges as most new institution normally face. Challenges such as inflation, inadequate political goodwill, inadequate TVET policies, and inadequate infrastructure. Despite all this challenges, Mbera Technical and Vocational College has been marketing itself to get more students by having many students Mbera Technical and Vocational College will receive more capitation funds from government its operations, also Mbera Technical and Vocational College has started income generating activities to supplement its income. Mbera Technical and Vocational College has increase number of course it offers to diversify opportunities to those who are seeking various training, Mbera Technical and Vocational College has also been participating and involving the community in its activities and also Mbera Technical and Vocational College has been co-operating with other institutions with similar cadre.

#### **Environmental performance**

Our research, teaching and activities are guided by our commitment to environmental sustainability. Mbera Technical and Vocational College partner with different stakeholders to protect the environment by planting trees, using environmentally friendly equipment's, materials and has a composite place for throwing wastes.

#### **Employee welfare**

Mbera Technical and Vocational College has developed its human resource policy which is in-line with Kenyan labour laws act 2007. Mbera Technical and Vocational College always follows the laws and procedures whenever they are hiring/recruiting their employees. This is normally done through competitive shortlisting and interview and the best candidate is selected after considering level of competency, education, gender, marginalised groups and regional balance. Mbera Technical and Vocational College often take its employees for training to improve their skills, appraisal is normally done and best employees being rewarded. Mbera Technical and Vocational College has put adequate safety and health measures to protect its employees from hazards.

#### **Market place practices-**

Mbera Technical and Vocational College has been marketing itself by adhering to advertisement rules and regulations according to advertisement laws of the country. Mbera Technical and Vocational College has been ensuring that when it's advertising itself it involves some government agencies such as chiefs and assistant-chief to announce at barazas about Mbera Technical and Vocational College courses it offers.



Mbera Technical and Vocational College has a qualified procurement officer who advises the institution on procurement laws, how to get the best prices for institution and maintaining good relationship with suppliers. Mbera Technical and Vocational College has been ensuring that all of their adverts are within the rules and regulation. Mbera Technical and Vocational College has ensured that its goods and services meet the standard and are safe for consumption.

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

Mbera Technical and Vocational College Corporate Social Responsibility (CSR) programs reflect the College commitment to operate in an environmentally sustainable and socially responsible manner. The programs support the College strategic vision and reassures that its activities are carried out ethically, sustainably and for the public good. The College aim to make a significant contribution to the communities and society through research, education and a wide range of activities undertaken by staff, students and alumni.

In the FY 2023/24, the following Corporate Social Responsibilities were undertaken:

#### **Health Care**

The College enrolled all staff to NHIF medical Scheme.

Mbera Technical and Vocational College strategy for social responsibility includes a commitment to pursue change across the following priority areas:

#### **Teaching & Learning**

Mbera Technical and Vocational College is committed to ensuring relevance in the teaching and learning process through the development and installation of an e-learning portal.

#### **Research with impact**

Our research is making a positive difference to society, addressing the major challenges of the 21st century.

#### **Socially responsible graduates**

Through establishing and strengthening existing collaborations and linkages, our graduates are learning to exercise ethical, social and environmental responsibility.

#### **Engaging our communities**

Our events and activities are harnessing our knowledge, resources and visitor attractions for the benefit of our communities. Examples of events & activities include Sports day, Open day and National day events.

#### **Responsible processes**

Our processes are balancing efficiency with opportunities to create social and environmental benefit.

#### **Environmental sustainability**

Our research, teaching and activities are guided by our commitment to environmental sustainability.

We also have a number of Technological areas for our research, teaching, community engagement and processes, allowing us to focus and measure our efforts in making a difference to society.



## **11. Report of the Board of Governors**

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

### **Principal activities**

The core mandate of Mabera Technical & Vocational College is to offer training to Students in technical courses and entrepreneurship courses as per the industry needs and examined by KNEC.

And CBET CDAC

### **Results**

The results of the Mabera TVC for the year ended June 30 2024 are set out on page ....

### **Board of Governors**

The members of the Board who served during the year are shown on page x to page xiii. During the year 2023/2024.

### **Auditors**

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

By Order of the Board

.....

**Secretary of the Board**

**Nairobi**

**Date:**



## 12. 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 - (entities should quote the applicable legislation under which they are regulated)) require the council members to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of Maberu TVC for that year/period. The council members are also required to ensure that Maberu TVC keeps proper accounting records which disclose with reasonable accuracy the financial position of Maberu TVC. The council members are also responsible for safeguarding the assets of Maberu TVC.

The council members are responsible for the preparation and presentation of Maberu Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of Maberu Technical and Vocational College for and as at the end of the financial year 2023/2024 ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Maberu TVC; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Maberu Technical and Vocational College (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for the Maberu Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013*). The board members are of the opinion that the Maberu Technical and Vocational College financial statements give a true and fair view of the state of Maberu Technical and Vocational College transactions during the financial year ended June 30, 2024, and of the Maberu Technical and Vocational College financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the Maberu Technical and Vocational College, which have been relied upon in the preparation of the Maberu Technical and Vocational College financial statements as well as the adequacy of the systems of internal financial control.

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

### Approval of the financial statements

The financial statements were approved by the Board on 07, April 2025 and signed on its behalf by:

MABERA TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024



A stylized signature of the Chairman of Council/Board, consisting of a large, sweeping loop and a vertical line.

A cursive signature of the Principal, written in a fluid, connected script.

.....  
**Chairman of Council/Board**

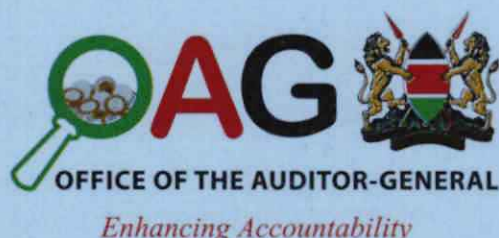
.....  
**Principal**

**Date 07-04-2025**

**Date 07-04-2025**

# REPUBLIC OF KENYA

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Anniversary Towers  
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P.O Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON MABERA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Mabera Technical and Vocational College set out on pages 1 to 46, which comprise the statement of financial

position as at 30 June 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

## **Basis for Qualified Opinion**

### **1.0. Inaccuracies in the Financial Statements**

Review of the financial statement and supporting records revealed the following inaccuracies:

#### **1.1. Variance in Employee Costs between Financial Statements and Ledger/Payroll**

The statement of financial performance, and as disclosed in Note 13 to the financial statements, reflects employee costs amount of Kshs.8,051,507, while the the supporting payroll/ledger provided for audit show a corresponding amount of Kshs.7,893,000, resulting in an unreconciled variance of Kshs.158,507.

Further, although NSSF, PAYE and NHIF amounting to Kshs.1,183,332 were deducted from the employees' benefits, only Kshs.708,522 was paid to the statutory bodies, resulting in an unexplained or unreconciled variance of Kshs.474,810 as summarized below:

<b>Statutory</b>	<b>Amount Deducted (Kshs.)</b>	<b>Amount Paid (Kshs.)</b>	<b>Variance (Kshs.)</b>
NSSF	793,720	310,680	483,040
PAYE	108,812	142,142	(33,330)
NHIF	280,800	255,700	25,100
<b>Total</b>	<b>1,183,332</b>	<b>708,522</b>	<b>474,810</b>

In addition, the statutory deductions were computed manually which is prone to errors and the payroll provided did not indicate the staff designations and categories.

In the circumstances, the accuracy and completeness of employee costs of Kshs.8,051,507 could not be confirmed.

### 1.2. Misstatement of Revaluation Gain

The statement of changes in net assets reflects revaluation loss of Kshs.4,758,952. However, as disclosed in Note 18 (A) to the financial statements, assets were revalued on 31 December, 2023 at Kshs.108,807,600 and immediately before the revaluation, their net book value was Ksh.97,270,001, leading to a re-computed revaluation gain of Kshs.11,537,599 which differs with the reported revaluation loss, resulting in an unreconciled variance of Kshs.16,296,551.

In the circumstances, the accuracy of the revaluation loss of Kshs.4,758,952 could not be confirmed.

### 1.3. Unconfirmed Accuracy of the Statement of Cash Flows

Note 22 on cash generated from operations, which reconciles the surplus of Kshs.6,462,041 reported in the statement of financial performance and net cash flows from operating activities amount of negative Kshs.909,814 reflected in the statement of cash flows, shows increase in deferred income of negative Kshs.1,802,466 which is not supported (deferred income is not reported in the statement of financial position). Further, although the Note reflects increase in payables amount of Kshs.1,880,468, the statement of financial position shows that payables decreased by the same amount. In addition, the Note excludes a decrease in refundable deposits from students of Kshs.1,600 and an increase in payments received in advance of Kshs.12,719,022 which are working capital.

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

### 1.4. Misstatement of Utilization Difference Amounts for Expenditure

The statement of comparison of budget and actual amounts reflects various utilization difference amounts relating to expenditure items, which differ with the re-computed differences, resulting in unexplained variances as tabulated below:

Item	Reported Difference	Re-computed Difference	Variance
	Kshs.	Kshs.	Kshs.
BOG expenses	(1,596,996)	690,258	(2,287,254)
R.M.I.	(641,000)	1,668,000	(2,309,000)
Employee costs	(8,048,282)	4,151,718	(12,200,000)

*Report of the Auditor General on Mabera Technical and Vocational College for the Year Ended 30 June, 2024*

Item	Reported Difference	Re-computed Difference	Variance
S.E.S	(3,780,672)	17,735,741	(21,516,413)
Contingencies	-	780,000	(780,000)
Attachment	-	1,210,079	(1,210,079)
Exam expenses	2,356,480	356,480	2,000,000
L.T. & T.	(5,814,175)	785,825	(6,600,000)
E.W.C.	(400,000)	1,057,000	(1,457,000)
Activity expenditure	(32,000)	3,876,254	(3,908,254)
	<b>(17,956,645)</b>	<b>32,311,355</b>	<b>(50,268,000)</b>

### 1.5. Lack of Sufficient Details in the General Ledgers/Support Schedules

The statement of financial performance reflects total expenses amount of Kshs.31,324,835 and total revenue of Kshs.26,056,623. However, the supporting ledger/schedules provided for audit lacked relevant details such as narrations of activities undertaken and vote heads for which expenditures were budgeted and charged.

In the circumstances, the accuracy of the financial statements and the effectiveness of internal controls over maintenance of accounting records could not be confirmed.

### 2.0. Use of Goods and Services

The statement of financial performance, and as disclosed under Note 10 to the financial statements, reflects use of goods and services amount of Kshs.17,011,567. The following audit issues were noted:

#### 2.1. Unsupported School Equipment and Stores Expense

Included in the use of goods and services amount is Kshs.3,817,572 in respect of school equipment and stores. However, review of sampled payment vouchers amounting to Kshs.1,647,086 revealed that the schedule provided did not indicate payment voucher and cheque numbers, quotations sent to prequalified suppliers for competitive bidding and Inspection and Acceptance Committee reports indicating that the items procured adhered to the required quantities and specifications were not provided and items procured were not taken on charge in a store's records.

Further, the College purchased a Kyocera KM3010 Photocopier at Kshs.280,000 from a company based in Busia through direct procurement. The photocopier was not factored in the procurement plan. Management has explained that the purchase of the photocopier was an emergency for the purpose of printing TVET Curriculum Development, Assessment and Certification Council (CDACC) examination papers. However, Management has not explained when they became aware of the date of the CDACC examinations.

## **2.2. Unsupported Administrative Costs**

Included in the use of goods and services amount is Kshs.2,962,791 in respect of administrative costs. However, the latter amount includes sampled payment vouchers amounting to Kshs.1,147,000 in respect of which, quotations from prequalified suppliers were not provided for audit. Further, although the payments were made in form of imprest to procure goods and services, evidence indicating that items were taken on charge in stores ledgers was not provided for audit.

## **2.3. Unsupported and Irregularities in Local Transport and Travelling Expenses**

Included in the goods and services amount is an amount of Kshs.5,814,175 in respect of local transport and travelling. However, examination of sampled payment vouchers amounting to Kshs.1,285,475 revealed the following anomalies:

- i. Three (3) officers held two (2) or three (3) imprests each as at 30 June, 2024, contrary to Regulation 93(8) of the Public Finance Management (National Government) Regulations, 2015, which states that in order to effectively and efficiently manage and control the issue of temporary imprests, an accounting officer or AIE holder shall ensure that no second imprest is issued to any officer before the first imprest is surrendered or recovered in full from his or her salary.
- ii. Bus/work tickets as evidence of travels from and to work station on official assignment were not provided for audit.
- iii. Invitation letters, training programs, attendance list/register as evidence of actual participation in workshops and or seminars outside the workstation were not provided for audit.
- iv. The Imprest register had not been updated as it did not capture the dates the imprests were issued and surrendered.

In the circumstances, the accuracy, completeness and propriety of expenditure totalling Kshs.4,079,561 in respect of school equipment and stores, administrative costs and local transport and travelling could not be confirmed. Also, Management was in breach of the law by issuing multiple imprests.

### **3.0. Long Outstanding Receivables from Exchange Transactions**

The statement of financial position, and as disclosed in Note 16 to the financial statements, reflects current receivables from exchange transactions balance of Kshs.30,257,260 which indicates an increase of Kshs.9,290,927 or 44% from the Kshs.20,966,333 reported in the previous year. Further, the balance of Kshs.30,257,260 includes debtor amounting to Kshs.22,871,020 that had been outstanding for more than two (2) years. Further, Management did not provide for audit a detailed student debtors' ageing analysis and movement schedule for the year under to support the balance and the increase in receivables. In addition, although the College had a debt collection policy in place, it would appear that there was no capacity to enforce debt collection measures therein.

In the circumstances, the accuracy, completeness and recoverability of the receivables of Kshs.30,257,260 could not be confirmed.

### **4.0. Unsupported Inventories Balance**

The statement of financial position reflects inventories balance of Kshs.839,369 as disclosed in Note 17 to the financial statements. However, it was not disclosed how the balance was arrived at, contrary to International Public Sector Accounting Standards (IPSAS) 12, which requires the reported balance to be the lower of cost and net realizable value. Further, the store ledgers were not updated and the reported balance could not be traced in the stock cards.

In addition, Management did not provide evidence showing that during the year under review, the stores records were regularly updated and an annual stock take was carried out to determine the closing balances as at 30 June, 2024. This was contrary to Section 162 (2) of the Public Procurement and Asset Disposal Act, 2015, which states that the head of procurement function shall arrange for occasional visits of inspection to the stores, at least quarterly in each calendar year, and conduct quarterly and annual inventory and stock taking in order to ensure compliance with all respective governing laws and submit the report to the accounting officer.

In the circumstances, the accuracy and completeness of the inventories balance of Kshs.839,369 could not be confirmed. Also, Management was in breach of the law.

### **5.0. Unconfirmed Property, Plant and Equipment (PPE) Balance**

The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment (PPE) balance of Kshs.106,880,072 which differs with the re-computed balance of Kshs.117,160,072, resulting in a variance of Kshs.10,280,000 which represents additions amount that was excluded.

Further, the PPE balance includes Kshs.2,085,826 in respect of computers. However, the College received donations of one-hundred (100) Micro-Computer Desktops, one hundred (100) Keyboard and one hundred (100) Mouses from an organization on 7 April, 2023. The items have been included as additions during the period under review at a cost

of Kshs.10,000,000. However, these donated computers were not included in the balance of Kshs.2,085,826. Further, delivery note certificate and invoice indicating the total cost of Kshs.10,000,000 have not been provided for audit review.

In addition, the "Total" column of Note 18(A) does not reflect total balances for additions of Kshs.10,280,000 and re-computed total at 1 January, 2024 of Kshs.119,087,600.

Also, Management did not maintain an updated fixed asset register to control its assets. Essential details and unique identifiers such as asset tags, year of purchase, location and condition were not indicated in the fixed assets register provided for audit. This was contrary to Regulation 136(1) of the Public Finance Management (National Government) Regulations, 2015, which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the accuracy, completeness and fair presentation of the property, plant and equipment balance of Kshs.106,880,072 could not be confirmed. Also, the existence of effective internal controls to safeguard assets could not be confirmed.

#### **6.0. Unsupported Refundable Deposits from Customers/Students Balance**

The statement of financial position reflects a balance Kshs.878,400 in respect of refundable deposits from students (caution money) as disclosed in Note 20 to the financial statements. However, Management did not provide for audit ledgers and the creditors movement schedule to support the balance. Further, it was not possible to confirm the existence of the balance as details of students from who the deposits were received and the bank statements were not provided for audit.

In the circumstance, the accuracy, completeness of the reported refundable deposits from students' balance could not be confirmed.

#### **7.0. Non-compliance with the Prescribed Reporting Framework**

Audit review of the annual report and financial statements presented for audit revealed the following inconsistencies:

- i. The statement of comparison of budget and actual amounts does not include a row for "Surplus for the period" and a reconciliation, under budget notes, of the total expenditure of Kshs.22,716,059 and total expenses of Kshs.29,624,599 reported in the statement of financial performance as require.
- ii. Note 18 (A) on property, plant and equipment was not prepared using the format provided in the prescribed reporting template.

In the circumstances, the financial statements do not comply with the accounting standards as prescribed by the Public Sector Accounting Standards Board in accordance with the provisions of Section 81(3) of the Public Finance Management Act, 2012 and, therefore, Management was in breach of law.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of Budget and actual amounts reflects total budgeted revenue and actual on comparable basis amounts of Kshs.60,898,000 and Kshs.36,086,640 respectively, resulting in underfunding of Kshs.24,811,360 or 41% of the budget. Similarly, the College spent Kshs.22,716,059 out of the actual receipts of Kshs.36,086,640, resulting in an under-utilization of Kshs.13,370,851 or 37%.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on learning in the College.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

Various prior year audit issues remained unresolved as at 30 June, 2024. Management has not provided satisfactory reasons for the delay in resolving the prior year audit issues. Further, although some of the prior year audit matters are said to have been resolved as indicated in the Implementation Status of Auditor-General Recommendations section of the financial statements, Management has not provided evidence showing how these issues were resolved.

### **Other Information**

The Management is responsible for the other information set out on page v to xxvi which comprises Key Entity Information and Management, Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermine Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environment and Sustainability Reporting Statement, Report of the Board of Governors and Statement of Board of Governors

Responsibilities. The other information does not include the financial statements and my audit report thereon.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.0. Long Outstanding Trade and Other Payables**

The statement of financial position, and as disclosed in Note 19 to the financial

statements, reflects trade and other payables from exchange transactions balance of Kshs.5,051,891 which includes long outstanding payables amounting to Kshs.4,566,191 that had remained unsettled for a period of over one (1) year. This was contrary to Regulation 42 (1)(b) of the Public Finance Management (National Government) Regulations 2015, which requires debt service payments to be given priority. Further, creditors movement schedule indicating how the balance had been accumulated over the years was not provided for audit.

In addition, Management did not demonstrate measures put in place to ensure that pending bills are paid in time to avoid further accumulation and the possibility of payment of interest and/or penalties on the unpaid amounts.

Failure to settle payables may result in suppliers withholding the supplies and hence adversely affect service delivery. Also, Management was in breach of the law by not settling debts in time.

## 2.0. Failure to Adhere to Kenya Gazette Supplement No. 1 of 2018 on Minimum Wage

The statement of financial performance reflects employee costs amount of Kshs.8,051,507 which includes Kshs.5,772,000 paid to forty-one (41) of the College's trainers (at monthly wages of Kshs.12,000, Kshs.13,000 and Kshs.15,000), instead of the stipulated minimum of Kshs.8,367,624, resulting in an under payments of Kshs.2,595,624, contrary to the requirement of Kenya Gazette supplement No. 1 of 2018 that monthly minimum wage be Kshs.18,846.

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

## 3.0. Non-compliance with the Law on Ethnic Diversity in Staffing

Human resource records maintained by the College and provided for audit review indicated that during the year under review, Mabera Technical and Vocational College had a total of sixty-four (64) employees. However, it was noted that two communities comprised 34% and 36% respectively of the total number of employees, contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which states that no public establishment shall have more than one third of its staff from the same ethnic community.

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

## 4.0. Staff Establishment – Shortage in Staffing Levels

During the year under review, the College had a staff establishment with Optimal Staffing Levels of 103 staff and in-post of 39 staff, translating to unexplained shortage of 64 employees. The departments and sections most affected are shown in the table below:

Cadre	Approved Establish ment	Optimal Staffing Levels	In-post	Variance
Electrical department	5	10	2	8
Business and Liberal studies	8	15	4	11
Building and Civil Engineering	5	15	4	11
Agriculture and Food Science	2	10	1	9
Mechanical Engineering	4	10	2	8
Hospitality management, F&D	15	20	10	10
<b>Total</b>	<b>39</b>	<b>80</b>	<b>23</b>	<b>57</b>

Further, Management did not demonstrate measures put in place to ensure that shortages in human resource are addressed promptly.

In the circumstances, there is likelihood of essential services not being offered as and when required. Also, Management was in breach of the Public Service Commission's Human Resource policy.

#### **5.0. Receipt of Goods Without Inspection and Acceptance Committee**

The statement of financial performance reflects use goods and services amount of Kshs.17,011,567. However, examination of payment vouchers and related procurement documents revealed that goods valued at Kshs.2,106,727 were delivered to the stores directly without being inspected by an Inspection and Acceptance Committee confirm that they were of the specified quality and quantity. This was contrary to Section 48(3) of the Public Procurement and Asset disposal Act, 2015, which states that the inspection and acceptance committee shall immediately after the delivery of the goods, works or services— (a) inspect and where necessary, test the goods received; (b) inspect and review the goods, works or services in order to ensure compliance with the terms and specifications of the contract; and (c) accept or reject, on behalf of the procuring entity, the delivered goods, works or services.

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

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

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

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **1.0. Inconsistent Audit Committee Meetings and Lack of Internal Audit Function**

Although the College had an Audit Committee, review of records revealed that the Committee only met twice during the year under review. Further, Information provided

*Report of the-Auditor General on Mabera Technical and Vocational College for the Year Ended 30 June, 2024*

indicated that during the year, the College did not have an Internal Audit department in place as required by Regulation 162(2) of the Public Finance Management (National Government) Regulations, 2015. The audit services were being outsourced from a sister institution. In addition, the Committee did not carry out any annual review of the independence, performance, and competency of the internal audit unit, contrary to the provisions of Regulation 166(1) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstance, the effectiveness of internal controls, risk management and governance in the College could not be confirmed.

## **2.0. Weak IT Internal Controls**

Review of the College's IT internal control environment and its working revealed that the College did not have a strong system of Information and Communication Technology (ICT) internal controls, despite operating in IT enabled environment like use of College Management Information System (COLEMIS) Software in the Finance, Procurement and Administration departments. Further, the following Information Technology control weaknesses were noted:

- i. The College did not have approved policies on Information Technology security, including disaster recovery plan and IT continuity plan. Consequently, the critical data/information may not be recovered in case a disaster occurs.
- ii. The College did not have IT strategic or steering committees which could result in none implementation of IT governance, as part of enterprise governance.
- iii. The College lacked security policy, an indication that there is no clear direction to maintain information security and to properly safeguard its assets.
- iv. The College did not have fire suppression systems, hence information may be lost in case of a fire outbreak.
- v. The system could not generate reports such as expenditure reports, revenue reports and students' reports.

Lack of strong IT internal controls, disaster recovery plan and retention strategy exposes the College at risk of losing essential data and information.

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 the Management and the Board of Governors**

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards

*Report of the Auditor General on Mbera Technical and Vocational College for the Year Ended 30 June, 2024*

(Accrual Basis) and for maintaining effective internal controls as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also consider the entity's control environment in order to give an assurance on the

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015.

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

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



FCPA Nancy Gathungu, CBS

**AUDITOR-GENERAL**

**Nairobi**

**8 May, 2025**



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

		2023/2024	2022/2023
	Note		
<b>Revenue from non-exchange transactions</b>			
Transfer from other National Government entities	6	13,879,603	11,178,940
		<b>13,879,603</b>	<b>11,178,940</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	21,005,161	17,038,691
Sale of goods	8	35,580	20,909
Miscellaneous income	9	1,166,296	73,999
		<b>22,207,037</b>	<b>17,133,599</b>
<b>Total revenue</b>		<b>36,086,640</b>	<b>28,312,539</b>
<b>Expenses</b>			
Use of Goods and Services	10	17,011,567	17,429,360
Employee costs	11	8,051,507	7,585,091
Board Expenses	12	1,992,996	1,727,091
Depreciation and amortization expense	13	1,927,528	16,162,710
Repairs and maintenance	14	641,000	582,281
<b>Total expenses</b>		<b>29,624,599</b>	<b>43,486,533</b>
<b>Other gains/(losses)</b>			
Gain on sale of assets		-	-
Impairment loss		-	-
<b>Surplus for the period</b>		<b>6,462,041</b>	<b>-15,173,994</b>

*(The notes set out on pages 18 to 44 form an integral part of the Annual Financial Statements).*

The Financial Statements set out on pages 1 to 7 were signed by:

.....  
Chairman of Council/Board

Date 19-04-2025

.....  
Principal

Date 19-04-2025

.....  
Finance Officer

ICPAK No 26102

Date 19-04-2025



**15. Statement of Financial Position as At 30th June 2024**

		2023/2024	2022/2023
	Note		30-Jun
Assets		Shs	Shs
<b>Current assets</b>			
Cash and cash equivalents	15	342,447	1,252,261
Receivables from exchange transactions	16	30,257,260	20,966,333
Inventories	17	839,369	752,911
<b>Total Current Assets</b>		<b>31,439,076</b>	<b>22,971,505</b>
<b>Non-current assets</b>			
Property ,plant and equipment	18	106,880,072	102,807,600
		<b>106,880,072</b>	<b>102,807,600</b>
<b>Total assets</b>		<b>138,319,148</b>	<b>125,779,105</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	19	5,051,891	6,932,359
Refundable deposits from Students	20	878,400	880,000
Pyments received I advance	21	12,719,022	-
<b>Total current liabilities</b>		<b>18,649,313</b>	<b>7,812,359</b>
<b>Non-current liabilities</b>		-	-
<b>Total liabilities</b>		<b>18,649,313</b>	<b>7,812,359</b>
<b>Net assets</b>		<b>119,669,835</b>	<b>117,966,746</b>
<b>Represented by:</b>			
Accumulated Surplus		(2,744,373)	(9,206,414)
Capital Reserve		127,173,160	127,173,160
Revaluation Reserve		(4,758,952)	-
<b>Net assets</b>		<b>119,669,835</b>	<b>117,966,746</b>

.....  
Chairman of Council/Board

Date 19-04-2025

.....  
Principal

Date 19-04-2025

.....  
Finance Officer  
ICPAK No 26102  
Date 19-04-2025



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

Description	Revaluation reserve	Accumulated Fund	Capital Fund	Total
<b>At June 30, 2022</b>	-	5,967,580	55,181,890	61,149,470
<b>At July 1, 2022</b>		5,967,580	55,181,890	61,149,470
Revaluation gain	-	-	-	-
Fair Value adjustments on quoted investments			-	-
Total Comprehensive income	-	(15,173,994)	71,991,270	56,817,276
<b>At June 30, 2023</b>	-	(9,206,414)	127,173,160	117,966,746
<b>At July 1, 2023</b>	-	(9,206,414)	127,173,160	117,966,746
Revaluation gain	(4,758,952)	-	-	-4,758,952
Fair Value adjustments on quoted investments	-		-	
Total Comprehensive income	-	6,462,041		6,462,041
<b>At June 30, 2024</b>	(4,758,952)	(2,744,373)	127,173,160	119,669,835



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

	Note	2023/2024	2022/2023
		Shs	Shs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Rendering services		10,877,010	17,038,691
Other income		1,166,296	73,999
Transfer from GOK- Capitation. HELB & Bursary		13,879,603	11,178,940
Sale of goods		35,580	20,909
<b>Total Receipts</b>		<b>25,958,489</b>	<b>28,312,539</b>
<b>Payments</b>			
Compensation of employees		7,391,490	7,585,091
Use of goods and services		17,011,567	17,429,360
Repairs Maintenance Expenses		472,250	582,281
Remuneration of Board Members		1,992,996	1,727,091
<b>Total Payments</b>		<b>26,868,303</b>	<b>27,323,823</b>
<b>Net Cash Flows from operating activities</b>	<b>22</b>	<b>-909,814</b>	<b>988,716</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		0	-2,714,413
Proceeds from sale of property, plant and equipment		0	0
<b>Net cash flows used in investing activities</b>		<b>0</b>	<b>-2,714,413</b>
<b>Cash flows from financing activities</b>		<b>0</b>	
Proceeds From Borrowing		0	0
Repayment Of Borrowings		0	0
<b>Net cash flows used in financing activities</b>		<b>0</b>	<b>0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-909,814</b>	<b>-1,492,224</b>
<b>Cash and Cash equivalents at 1 JULY 2023</b>		<b>1,252,261</b>	<b>2,744,485</b>
<b>Cash and Cash equivalents at 30 JUNE 2024</b>	<b>15</b>	<b>342,447</b>	<b>1,252,261</b>

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

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Utilization Difference	
	Shs		Shs		Shs		Shs		Variance		Shs	%
<b>Revenue</b>												
Transfer from National Government-Grant	29,700,000		-		29,700,000		13,879,603		15,820,397			53(a)
Rendering of Services -Fee from students	26,505,800		-		26,505,800		21,005,161		5,500,639			21(b)
Sale of Goods	421,600		-		421,600		35,580		386,020			92(c)
Development Grant	-		-		-		0		-			0
Miscellaneous Income	4,270,600		-		4,270,600		1,166,296		3,104,304			73(d)
<b>Total Income</b>	<b>60,898,000</b>		-		<b>60,898,000</b>		<b>36,086,640</b>		<b>24,811,360</b>			<b>41(e)</b>
<b>Expenditure</b>												
Development project	6,630,000		-		6,630,000		-		0			0
Bank Charges	-		-		-		46,454		-46,454			0
BOG Expenses	2,287,254		-		2,287,254		1,596,996		-1,596,996			-70(f)
R.M.I	2,309,000		-		2,309,000		641,000		-641,000			-28(g)
Employee Costs	12,200,000		-		12,200,000		8,048,282		-8,048,282			-66(h)
S.E.S	21,516,413		-		21,516,413		3,780,672		-3,780,672			-18(i)
Contingencies	780,000		-		780,000		-		0			0

Attachment	1,210,079	-	1,210,079	-	0	0
Exam Expenses	2,000,000	-	2,000,000	2,356,480	-2,356,480	-118(j)
L.T & T	6,600,000	-	6,600,000	5,814,175	-5,814,175	-88(k)
E.W.C	1,457,000	-	1,457,000	400,000	-400,000	-27(l)
Activity Expenditure	3,908,254	-	3,908,254	32,000	-32,000	-1
<b>Total Expenditure</b>	<b>60,898,000</b>	-	<b>60,898,000</b>	<b>22,716,059</b>	<b>-22,716,059</b>	<b>-37</b>
<b>Capital Expenditure</b>	<b>0</b>	0	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Explanatory notes to the Variances over/Below 10%**

- a. Delayed remittance of capitation from National government
- b. The change was due to non-payment of fees by students since they depend on HELB loans and other donor grants which they had applied for but not yet received
- c. Lack of proper IGU
- d. Low enrolment
- e. Lack of targeted sitting
- f. Lack of Funds
- g. Staff recruited below the projected number
- h. Lack of Funds
- i. Lack of Funds
- j. Low number of students sitting for exam



**19. Notes to the Financial Statements**

**1. General Information**

Mabera Technical and Vocational College is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. Mabera TVC principal activity is training.

**2. Statement of Compliance and Basis of Preparation**

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Mabera Technical and Vocational College

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.



**Notes to the Financial Statements (Continued)**

**3. Adoption of New and Revised Standards**

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<i>Applicable 1<sup>st</sup> January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of Mabera TVC. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>No Impact</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>No Impact</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1<sup>st</sup> January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <i>No Impact</i>



<p>IPSAS 46: Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b>                  The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.  <b><i>No Impact</i></b></p>
<p>IPSAS 47: Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b>                  This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.  <b><i>No Impact</i></b></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b>                  The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.  <b><i>No Impact</i></b></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b>                  The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.  <b><i>No Impact</i></b></p>



#### 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.

###### **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.

###### **Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.



#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### a) Revenue recognition (Continued)

##### ii) Revenue from exchange transactions (continued)

##### 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 2023/2024 was approved by the Council or Board on 4 April 2024. There were no subsequent revisions or additional appropriations made to the approved budget. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, since there were no revisions the MTVC did not record additional appropriations on the FY 2023/2024 budget following the Council/ Board's approval.

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

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

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

##### c) Taxes

##### *Current income tax*

The entity is exempt from paying taxes as per schedule *first* of the *income tax* Act.

##### c) Taxes (continued)

##### *Sales tax/ Value Added Tax*

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



#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

##### d) Investment property

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

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

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

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

##### e) Property, plant and equipment

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



#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Organisation and the cost can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income account during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus reserve account. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to the Statement of Comprehensive Income account. Each year the difference between depreciation charged based on the revalue carrying amount of the asset (the depreciation charged to the Statement of Comprehensive Income account) and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

##### i) Depreciation

Depreciation on assets is calculated using reducing balance method to write down their cost or revalue amounts to their residual values over their estimated useful lives using the following rates:

##### ii) Impairment

Assets are periodically reviewed for impairment. Where the carrying amount of an asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount.

ASSET	DEPRECIATION PERCENTAGE
Land	-
Learning Materials	-
Buildings	3.4
Office equipment	3.5
Computers and related equipment	1.5
Tool & Equipment	3.4
Furniture, and fittings	3.4
Kitchen Ware	3.4
Machinery and Equipment	10.3

##### iii) Gain/loss on disposals

Gains and losses on disposals of assets are determined by reference to their carrying amount and are taken into account in determining the surplus (deficit) for the year.

##### f) Leases

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



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

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

#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization at the rate of 25% on a reducing balance 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

##### h) Research and development costs

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

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

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

#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### i) Financial instruments

###### *Financial assets*

###### *Initial recognition and measurement*



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

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

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

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

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

#### ***Impairment of financial assets***

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

### **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **i) Financial instruments (Continued)**

##### ***Financial assets (Continued)***

##### ***Impairment of financial assets (Continued)***

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization



- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

### ***Financial liabilities***

#### ***Initial recognition and measurement***

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

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

#### ***Loans and borrowing***

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

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

#### **i) Inventories**

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

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

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

## **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **i) Inventories (Continued)**

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 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.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Changes in accounting policies and estimates**

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

**l) Employee benefits**

**Retirement benefit plans**



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

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

**m) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**n) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.



#### **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **o) Related parties**

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

##### **p) Service concession arrangements**

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

##### **q) Cash and cash equivalents**

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

##### **r) Comparative figures**

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

##### **s) Subsequent events**

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



## 5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the 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. Additional disclosure of these estimates of provisions is included in Note xxx.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. (This financial year MTVC did not provide for the provisions).



**6. Transfers from other National Government entities**

	2023/2024	2022/2024
<b>Transfer from the National Government-grants/gifts in Kind</b>		
<b>Unconditional grants</b>		
Capitation grant		
Operational grant	13,879,603	11,178,940
Other		
	<b>13,879,603</b>	<b>11,178,940</b>
<b>Conditional grants</b>		
National housing grant	0	
National infrastructure grant	0	
Social services grant	0	
Other organizational grants	0	
	0	
<b>Total government grants and subsidies</b>	<b>13,879,603</b>	<b>11,178,940</b>

**6. (a) Transfers from other National Government entities (Categorized)**

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	13,879,603	0	0	0	11,178,940
<b>Total</b>	<b>13,879,603</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,178,940</b>

**7. Rendering of Services- Fees from Students**

Description	2023-2024	2022-2023
	Shs	Shs
Tuition fees	9,654,213	7,013,121
Activity fees	1,215,392	752,860



Industrial attachment fee	1,104,500	1,597,700
Examination fee	1,264,774	1,598,770
Personal Emoluments	3,466,727	1,977,020
E, W & C	1,272,117	1,062,060
L,T & T	1,261,977	1,032,860
R,M & I	877,261	551,000
Practical fee	483,500	1,135,500
KUCCPS Fee	165,000	-
TVETA Fee	59,000	-
Exam -NITA	8,500	
Boarding fee	0	
EWC	0	
Student Council	172,200	517,800
<b>Total revenue from the rendering of services</b>	<b>21,005,161</b>	<b>17,038,691</b>

#### 8. Sale of Goods

Description	2023/2024	2022/2023
	Kshs	Kshs
Sale of food & Saloon	35,580	20,909
Cafeteria		
<b>Total revenue from the sale of goods</b>	<b>35,580</b>	<b>20,909</b>

#### 9. Miscellaneous Income

Description	2023-2024	2022-2023
	KShs	KShs
Insurance recoveries		
Application fee	44,200	64,999
Student ID	57,500	-
Income from sale of tender	0	9,000
Supplementary paper	0	
CBA Training	1,064,596	-
<b>Total other income</b>	<b>1,166,296</b>	<b>73,999</b>

#### 10. Use of Goods and Services

Description	2023/2024	2022/2023
	KShs	KShs
School Equipment and Store	3,817,572	7,441,184
Industrial attachment costs		252,300



Electricity, Water & Conservancy	400,000	283,473
Administrative Cost	2,962,791	2,896,133
Security	1,064,000	1,148,500
Contingency		6,200
Student Council activities	367,900	141,540
Sports equipment and Sporting Activities	228,650	451,450
Examination expenses	2,356,480	2,062,230
Performance Contracting		-
Locational Transport and Travelling	5,814,175	2,709,350
Insurance		37,000
<b>Total good and services</b>	<b>17,011,567</b>	<b>17,429,360</b>

**11. Employee Costs**

Description	2023/2024	2022/2023
	KShs	KShs
Salaries and wages	8,051,507	7,585,091
<b>Employee costs</b>	<b>8,051,507</b>	<b>7,585,091</b>

**12. Board Expenses**

Description	2023/2024	2022/2023
	KShs	KShs
Chairman's Honoraria	396,000	517,130
Other Member emoluments	1,596,996	1,209,961
<b>Total B.O.G emoluments</b>	<b>1,992,996</b>	<b>1,727,091</b>

**13. DEPRECIATION AND AMORTIZATION EXPENSE**

Description	2023/2024	2022/2023
	KShs	KShs
Property, plant and equipment	3,627,764	16,162,710
Intangible assets	0	
<b>Total depreciation and amortization</b>	<b>3,627,764</b>	<b>16,162,710</b>

**14. REPAIRS AND MAINTENANCE**

Description	2023/2024	2022/2023
	KShs	KShs



Property	0	54,481
Equipment and machinery	162,200	6,900
Furniture and fitting	0	
Computers and accessories	0	
General expenses	0	8,500
Internet services	478,800	512,400
<b>Total repairs and maintenance</b>	<b>641,000</b>	<b>582,281</b>

**15 (A) Cash And Cash Equivalents**

Description	2023/2024	2022/2023
	KShs	KShs
Current account	342,447	1,252,261
On - call deposits		
Fixed deposits account		
Staff car loan/ mortgage		
Others(specify)		
<b>Total cash and cash equivalents</b>	<b>342,447</b>	<b>1,252,261</b>

**15 (B). Detailed Analysis of Cash and Cash Equivalents**

Description		2023/2024	2022/2023
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank No 1	1259535096	327,398	1,224,686
Kenya Commercial bank No 2	1157953190	15,049	20,555
<b>Sub- total</b>		<b>342,447</b>	<b>1,245,241</b>
<b>b) Others(specify)</b>		-	-
Cash in transit			
cash in hand		-	7,020
M pesa		-	
<b>Sub- total</b>		-	<b>7,020</b>
<b>Grand total</b>		<b>342,447</b>	<b>1,252,261</b>



**16. Current receivables From Exchange Transactions**

Description	2023/2024	2022/2023
	Shs	Shs
<b>Current receivables</b>		
Student debtors	30,257,260	21,013,041
Prepayments	0	65,892
Other Exchange debtors	0	
HELB	0	
Bursary	0	-112,600
<b>Total receivables</b>	<b>30,257,260</b>	<b>20,966,333</b>

**16 (a) Ageing Analysis of Receivables from Exchange transactions**

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	6,386,920	21	1,257,980	6
Between 1- 2 years	999,920	3	6,289,900	30
Between 2- 3 years	2,875,815	10	4,822,257	23
Above years 3 years	19,995,205	66	8,596,197	41
<b>Total (a+b)</b>	<b>30,257,260</b>	<b>100</b>	<b>20,966,333</b>	<b>100</b>

**17. Inventories**

Description	2023/2024	2022/2023
	Shs	Shs
Consumable stores	839,369	752,911
<b>Total inventories at the lower of cost and net realizable value</b>	<b>839,369</b>	<b>752,911</b>



**18 (A) Property, Plant And Equipment**

	Buildings	Land	Learning Materials	Office Equipments	Tools and Equipments	Furniture and Equipment	Computers	Computer software	Borehole	Warrior Tank	Fence	Merchery & Equipments	Kitchen ware	Total
Depreciation rate	1.70%	0		1.75%	1.70%	1.70%	0.75%					5.15%	1.70%	
19 (a) Property, plant and equipment														
At 1st June 2022	41,318,401	-	261,504	97,200	149,400	953,193	1,220,142	-	2,187,000	429,165	363,035	0	0	46,979,040
At 1st July 2022	41,318,401	-	261,504	97,200	149,400	953,193	1,220,142	-	2,187,000	429,165	363,035	0	0	46,979,040
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation	38,681,599	8,000,000	-7,684	347,000	2,469,640	5,567,807	1,437,358	-	2,187,000	429,165	363,035	5,690,550	12,784,200	71,991,270
At 1st July 2022	80,000,000	8,000,000	253,820	444,200	2,619,040	6,521,000	2,657,500	-	-	-	-	5,690,550	12,784,200	118,970,310
Depreciation And Impairment														
Disposals														
Impairment														
Depreciation	12,000,000	0	38,220	86,700	462,940	1,030,100	482,400		0	0	0	340,750	1,721,600	16,162,710
Net Book Values														
At 1st June 2022	41,318,401	-	261,504	97,200	149,400	953,193	1,220,142		2,187,000	429,165	363,035	0	0	46,979,040
At 30 <sup>th</sup> June 2023	68,000,000	8,000,000	215,600	357,500	2,156,100	5,490,900	2,175,100					5,349,800	11,062,600	102,807,600



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At 1 January 2024	72,000,000	10,000,000	215,600	357,500	2,156,100	5,490,90	2,175,100	0	0	0	0	5,349,800	11,062,600	11,062,600
Addition							10,000,000	0	0	0	0	280,000		
At 1 January 2024	72,000,000	10,000,000	215,600	357,500	2,156,100	5,490,90	11,903,210	0	0	0	0	5,629,800	11,062,600	0
At 1 Jun 2024														
Depreciation	1,224,000	0	0	6,256	36,654	93,345	89,274	0	0	0	0	289,935	188,064	1,927,528
Impairment	0	0	-	0	0	0	0	0	0	0	0	0	0	0
Transfer/adjustment	0	0	-	0	0	0	0	0	0	0	0	0	0	0
Net Book Values														
At 30 <sup>th</sup> Jun 2023 )	68,000,000	8,000,000	215,600	357,500	2,156,100	5,490,90	2,175,100	0	0	0	0	5,349,800	11,062,600	102,807,600
At 30 Jun 2024	70,776,000	10,000,000	215,600	351,244	2,119,446	5,397,555	2,085,826	0	0	0	0	5,059,865	10,874,536	106,880,072

**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Benjamin Ominde, Bachelor of Real Estate (Hons.) GMISK Valuation Officer professional valuers on 4<sup>th</sup> December, 2023. These amounts were adopted in the financial statements on 1<sup>st</sup> January 2024.



**18 (B) Property, Plant And Equipment at Cost**

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	10,000,000	0	10,000,000
Learning Materials	215,600	0	215,600
Buildings	72,000,000	1,224,000	70,776,000
Office equipment	357,500	6,256	351,244
Computers and related equipment	2,175,100	89,274	2,085,826
Tool & Equipment	2,156,100	36,654	2,119,446
Furniture, and fittings	5,490,900	93,345	5,397,555
Kitchen Ware	11,062,600	188,064	10,874,536
Machinery and Equipment	5,349,800	289,935	5,059,865
<b>Total</b>	<b>108,807,600</b>	<b>1,927,528</b>	<b>106,880,072</b>

**19. Trade and Other Payables From Exchange Transactions**

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Trade Creditors	3,913,636		6,435,191	
Payments received in advance	0		-	
Employee advances	0		-	
Third-party payments	1,138,255		1,138,255	
Other payables	0			
<b>Total trade and other payables</b>	<b>5,051,891</b>		<b>7,573,446</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	485,700	10	1,060,282	14
1-2 years	864,400	17	1,287,486	21
2-3 years	399,930	8	605,876	11
Above 3 years	3,301,861	65	4,922,740	54
<b>Total</b>		<b>100</b>	<b>7,573,446</b>	<b>100</b>



	<b>5,051,891</b>			
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**20 Refundable Deposits from Students**

Description	2023/2024	2022/2023
	Shs	Shs
Cautious Money	878,400	879,000
Other deposits	0	-
<b>Total deposits</b>	<b>878,400</b>	<b>879,000</b>

**21. Payments received in advance**

Description	2023/2024	2022/2023
	Shs	Shs
Fees received in advance	12,719,022	(112,200)
<b>Total fee Payments received in advance</b>	<b>12,719,022</b>	<b>(112,200)</b>

**Retirement benefit Asset/ Liability**

Currently Mabera Technical and Vocational College does not operate a define benefit scheme for its employees.

**Recognition of Retirement Benefit Asset/ Liability**

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently peg on the new rates per employee per month. Other than NSSF MTVC has no other defined contribution scheme.



## 22. CASH GENERATED FROM OPERATIONS

	2023-2024	2022-2023
Surplus for the year before tax	KShs	KShs
<b>Adjusted for:</b>		
Surplus/Deficit for the year	6,462,041	-15,173,994
Depreciation	1,927,528	16,162,710
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance income	-	-
Finance cost	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	-86,458	752,911
Increase in receivables	-9,290,927	-6,100,724
Increase in deferred income	(1,802,466)	-
Decrease in payables	1,880,468	5,347,813
Increase in payments received in advance		-
<b>Net cash flow from operating activities</b>	<b>-909,814</b>	<b>988,716</b>

## 23. Outstanding Imp rest

The following staff had pending imp rest as at the close of the financial year as follows

SN	NAME	CONTACT	ID	DATE OF IMPREST	AMOUNT
1	Nicole Odhiambo	0790594740	34981189	12/04/2024	15,000
2	William Chacha	0719699626	29825984	17/05/2021	4,000
3	Willex Kotii	072491640	35746395	10/02/2023	7,000
<b>TOTAL</b>					<b>26,000</b>

## 24. Arrears/ Financial Obligations/ Contingent liabilities



As At:		2023/2024	2022/2023
<b>Loan Arrears:</b>	Principal		
	Interest		
	Total		
<b>Statutory Obligations:</b>	NSSF	606,120	237,480
	NHIF	21,800	0
	PAYE.	3,960	32,480
	HELB	67,200	8400
	Housing Levy	19,694	0
	Salary	1,251,561	653,690
	Pending bills	-	0
<b>TOTAL</b>		<b>1,970,335</b>	<b>932,050</b>

## 25. FINANCIAL RISK MANAGEMENT

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

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

### (i) Credit risk

#### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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



the statement of financial position are net of allowances for doubtful receivables, estimated

by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the

entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June 2023</b>				
Receivables from exchange transactions	20,154,059	20,154,059	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	1,223,360	1,223,360	-	-
<b>Total</b>	<b>21,377,419</b>	<b>21,377,419</b>	-	-
<b>At 30 June 2024</b>				
Receivables from exchange transactions	30,257,260	30,257,260	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	342,447	342,447	-	-
<b>Total</b>	<b>30,599,707</b>	<b>30,599,707</b>	-	-

*(NB: The cash in hand amounts have been excluded from the totals)*

**(i) Credit risk (continued)**

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

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

**(ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management



requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2023</b>				
Trade payables	0	0	7,573,446	7,573,446
Current portion of borrowings	0	0	0	0
Refundable Deposit from customers	0	0	879,000	879,000
Deferred income				
Employee benefit obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>8,452,446</b>	<b>8,452,446</b>
<b>At 30 June 2024</b>				
Trade payables	0	1,374,548	3,677,343	5,051,891
Current portion of borrowings	0	0	0	0
Refundable Deposit from customers	0	0	878,400	878,400
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>1,374,548</b>	<b>4,555,743</b>	<b>5,930,291</b>

#### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

#### FINANCIAL RISK MANAGEMENT (Continued)

##### (iii) Market risk

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



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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

**Foreign currency sensitivity analysis**

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

b) Interest rate risk

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

*Management of interest rate risk*

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

**MARKET RISK (CONTINUED)**

**(iii) Market risk**



- (iii) Market risk (Continued)
  - b) Interest rate risk(continued)

**iv) Capital Risk Management**

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

	2023-2024	2022-2023	2021-2022
	Kshs	Kshs	Kshs
Retained earnings	730,263	5,967,580	3,579,542
Capital Fund	128,927,682	55,181,890	55,181,890
<b>Total funds</b>	<b>129,657,945</b>	<b>61,149,470</b>	<b>58,761,432</b>
Total borrowings	-	-	-
Less: cash and bank balances	(342,447)	(2,744,485)	(4,707,395)
Net debt/(excess cash and cash equivalents)	342,447	2,744,485	-
<b>Gearing</b>	<b>0.26%</b>	<b>4.49%</b>	<b>0.00%</b>

**26. RELATED PARTY BALANCES**

**Nature of related party relationships**

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

**Government of Kenya**

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity's* equity

Interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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



## **27. SEGMENT INFORMATION**

Mbera TVC operates in only one location

## **28. DEFERRED TAX LIABILITY**

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

## **29. EVENTS AFTER THE REPORTING PERIOD**

There was no event.

## **30. ULTIMATE AND HOLDING ENTITY**

The entity is an educational institution under the Ministry of education. Its ultimate parent is the Government of Kenya.

## **31. CURRENCY**

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



**20. Appendices**

**Appendix 1: Implementation Status of Auditor-General Recommendations**

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

Reference No. on the external audit Report	Issue/observation from auditor	Management comments	Status:(Resolved/Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<b>1.1 Statement of Financial position</b>	The statement of financial position reflects Kshs.115,553,707 (2021-2022: Kshs.59,486,713) against “Net assets”. This is erroneous as “Net assets” is a sub- heading against which, no amounts should be shown	The Financial statements were adjusted to corrected the error	Resolved	
<b>1.2 Statements of Financial position and Changes in Net Assets</b>	The statement of financial position reflects retained earnings balance of Kshs.6,303,547, while the statement of changes in net assets indicates a corresponding balance of negative Kshs.5,403,498, resulting in an unreconciled variance of Kshs.11,707,045. Similarly, the statement of financial position reflects capital fund balance of Kshs.117,552,954 which differs a corresponding balance of Kshs.121,444,835 shown in the statement of changes in net assets, resulting in a variance of Kshs.3,891,881 which has neither been reconciled nor explained	The statement of changes in net assets and the statement of financial position was adjusted to reconcile	Resolved	
<b>1.3 Statement of Changes in Net Assets</b>	The statement of changes in net assets does not reflect opening balances at 1 July, 2021 and movement during the financial year ended 30 June, 2022 as required by the prescribed reporting template. Further, the statement reflects an amount of negative Kshs.6,303,547 described as total comprehensive income, instead of surplus/(deficit) for the year as required. The amount differs with a deficit for the year of	The opening balances at 1 July, 2021 and movement during the financial year ended 30 June, 2022 as	Resolved	



	<p>Kshs.6,689,698 reported in the statement of financial performance, resulting in a variance of negative Kshs.386,151 which has not been explained.</p> <p>In addition, the statement reflects retained earnings at 30 June, 2023 balance of negative Kshs.5,403,498 which differs with the re-computed balance of negative Kshs.335,967, resulting in an unexplained variance of negative Kshs.5,067,531.</p> <p>The statement also reflects capital/development grant of Kshs.66,262,945 described as total comprehensive income, which has not been supported and which is not reflected in the statement of cash flows.</p>	incorporated on the amended Financial statements		
<b>21. 1.4 Statements of Cash Flows</b>	<p>The statement of cash flows was prepared using indirect method, contrary to the prescribed reporting template which requires use of direct method.</p> <p>Further, the statement reflects surplus/deficit for the year amount of negative Kshs.6,303,548 while the statement financial performance shows a corresponding amount of negative Kshs.Kshs.6,689,698, resulting in an unexplained variance of negative Kshs.386,150.</p> <p>In addition, the statement reflects net increase/(decrease) in cash and cash equivalents amount of negative Kshs.1,499,244 which differs with the re-computed amount of Kshs.1,374,866, resulting in an unexplained variance of negative Kshs.2,874,110.</p> <p>Finally, the statement reflects cash and cash equivalents at 30 June, 2022 balance of Kshs.1,245,241, while the statement of financial position shows a corresponding balance of Kshs.1,252,261, resulting in a variance of negative Kshs.7,020.</p>	The statement of cash flows was adjusted to direct method as per the prescribed requirement.	Resolved	
<b>1.6 Statements of Comparison of Budget and Actual Amounts</b>	<p>The statement of comparison of budget and actual amounts does not separate development amounts from recurrent amounts. The prescribed template requires that "Capital Expenditure" be disclosed in a row after "Surplus for the period".</p> <p>Further, the statement includes depreciation and amortization expense actual amount of Kshs.7,678,414 which was not a cash transaction. The prescribed</p>	Capital expenditures was separated from those incurred on recurrent	Resolved	



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	<p>reporting template requires that the statement of comparison of budget and actual amounts be prepared on cash basis.</p> <p>In addition, the statement reflects surplus for the period amount of Kshs.6,872,393, instead of negative Kshs.6,872,393.</p>			
<p><b>1.7 Notes to the Financial Statements</b></p>	<p>The numbering of several notes to the financial statements do not match note numbers indicated in the financial statements, especial from Note 12. Further, detailed analysis of cash and cash equivalents is at Note 18 (b) instead of 17 (b).</p> <p>In the circumstances, the accuracy and fair presentation of the financial statements could not be confirmed. Further, the financial statements do not comply with the accounting standards as prescribed by the Public Sector Accounting Standards Board in accordance with the provisions of Section 81(3) of the Public Finance Management Act, 2012 and, therefore, Management was in breach of law.</p>	<p>The numbering of notes was adjusted</p>	<p>Resolved</p>	
<p><b>2.0 Unconfirmed Capitation Grants</b></p>	<p>The <b>statement</b> of financial performance and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.1,178,940 in respect of transfers from the National Government – grants/gifts in kind. However, the schedules provided in support of the revenue indicated a corresponding amount of Kshs.10,008,000, resulting in an unreconciled variance of Kshs.1,170,940. In the circumstances, the accuracy and completeness of the transfers from the National Government – grants/gifts in kind amount of Kshs.11,178,940 could not be confirmed.</p>	<p>Records availed to confirm the amount of capitation</p>	<p>Resolved</p>	
<p><b>3.0 Unconfirmed Examination Fees Revenue</b></p>	<p>The Statement of Financial performance reflects rendering of services amount of Kshs.17,038,691 which, as disclosed in Note 9 to the financial statements, includes examination fees amount of Kshs.1,598,770. However, sampled receipts amounting to</p>	<p>Sampled receipt availed which indicated the course and</p>	<p>Resolved</p>	



	<p>Kshs.205,610 reviewed did not indicate the student's department and the relevant course in respect of which the examination fees were being paid. Therefore, it was not possible to confirm whether the correct amounts were paid.</p> <p>In the circumstances, the accuracy and completeness of the examination fee amount of Kshs.205,610 could not be confirmed.</p>	the name of the student		
<p><b>4.0 Unsupported School Equipment and Stores</b></p> <p>22.</p>	<p>The statement of financial performance reflects use of goods and services amount of Kshs.17,043,209 which, as disclosed in Note 12 to the financial statements, includes Kshs.7,441,184 in respect of school equipment and stores. Included in the latter amount is Kshs.3,863,406 whose supporting quotations from the prequalified suppliers were not provided for audit, and the items procured were not taken on charge in stores ledger cards/bin cards.</p> <p>In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.3,863,406 on school equipment and stores could not be confirmed.</p>	Ledger cards and bin cards and also prequalified supplier list to be prepared	Not Resolved	30 June 2025
<p><b>5.0 Unsupported Remuneration of Board Members</b></p>	<p>The statement of financial performance reflects remuneration of board members amount of Kshs.1,727,091 which includes Kshs.1,209,961 in respect of Board of Governors' emoluments as disclosed in Note 13 to the financial statements. However, Management did not provide for audit Board meetings' minutes, attendance register and invitation letters in support of the latter amount.</p> <p>Further, the Board of Governors held two (2) meetings on 6 October, 2022 and 10 February, 2023 as opposed to a mandatory minimum of three (3) meetings stipulated in Section 11(1) of the Technical and Vocational Education Training Act, 2013, which states that a Board of Governors shall meet at least once every four months.</p> <p>In the circumstances, the value for money, accuracy, completeness, regularity and validity of the board expenses of Kshs.1,209,961 in</p>	The minimum number of meetings not met due lack of funds for similar meetings	Resolved	

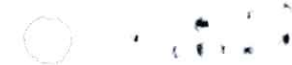




	respect of Board of Governors' emoluments could not be confirmed			
<b>6.0 Unsupported Cash and Cash equivalent</b>	<p>The statement of financial position reflects cash and cash equivalents balances of Kshs.1,252,261 which, as disclosed in Note 18(b) to the financial statements, includes Kshs.20,555 held in an account in Kenya Commercial Bank. However, bank reconciliation statements, cash book, bank statements and certificate of balance as at 30 June, 2023 were not provided for audit to support the latter balance.</p> <p>In the circumstances, the accuracy and completeness the balance of Kshs.20,555 could not be confirmed.</p>	The account bearing 20,555 relates to one of CDF	Not Resolved	
<b>7.0 Undisclosed Inventories</b>	<p>The financial statements presented for audit does not disclose inventories. However, review of records revealed that inventories valued at Kshs.725,911 were in existence as at 30 June, 2023. In the circumstance, the accuracy and fair presentation of the financial statements could not be confirmed.</p>	Resolved	Resolved	
<b>8.0 Unconfirmed Property, Plant and Equipment (PPE) Balance</b>	<p>The statement of financial position and as disclosed in Note 19 to the financial statements reflect property, plant and equipment balance of Kshs.100,581,449, being total cost, while the supporting asset register maintained by the College indicated total cost of Kshs.125,965,552, resulting in an unexplained variance of Kshs.25,384,103.</p> <p>Further, the asset register was incomplete since it did not include identification or serial number, acquisition date, class of asset, accumulated depreciation and net book value for the assets recorded.</p> <p>In addition, Note 19(a) reflect transfers/adjustments amount of Kshs.90,054,256 which has not been explained.</p> <p>Also, correspondence provided for audit indicated that the College received donated computers and a generated valued at Kshs.11,704,110 which have not been included in the asset register and in the financial statements.</p>	Resolved	Resolved	



	<p>In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.100,581,449 could not be confirmed.</p> <p>The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Mabera Technical and Vocational College Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Adverse opinion.</p>			
<p><b>Failure to Adhere to Minimum wage requirement</b></p> <p>23.</p>	<p>The statement of financial performance reflects employee costs amount of Kshs.7,585,091 which, as disclosed in Note 12 to the financial statements, relates to salaries and wages. However, review of records revealed that the amount includes Kshs.2,100,000 paid to fourteen (14) of the College's trainers instead of the stipulated minimum of Kshs.3,166,052, resulting in an underpayment of Kshs.1,066,052. This was contrary to the requirement of Kenya Gazette supplement No. 1 of 2018 on monthly minimum wage of Kshs.18,846</p> <p>In the circumstances, the College Management is in violation of minimum wage requirements as required by the SRC guidelines and the minimum wage regulations.</p> <p>The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I</p>	<p>Its due to lack of Funds and there by the college on in a a capacity to to pay the minimum wage bill</p>	<p>Not Resolved</p>	<p>3 Sept 2025</p>



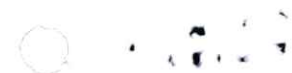


	have obtained is sufficient and appropriate to provide a basis for my conclusion.			
<b>Lack of Information and Communication Technology (ICT) Policy</b>	<p>Review of Information Technology (IT) environment and its controls revealed that no ICT policy was in place to govern IT environment. Specifically, the College did not have:</p> <ul style="list-style-type: none"> <li>i. IT strategic committee to guide in IT governance.</li> <li>ii. IT Security policy to ensure data confidentiality, integrity and availability and to ensure there is patch management process on all systems software's</li> <li>iii. Formally documented and approved processes to manage upgrades made to all information systems.</li> <li>iv. Physical access controls to ensure that physical access to sensitive areas like server rooms, storage rooms and network rooms are properly controlled.</li> <li>v. Environmental control policies and procedures to cover environmental controls like fire suppression system, ups and air conditioning systems especially in server rooms.</li> <li>vi. Logical access controls - user management standards and procedures in the College, like user access rights in line with responsibilities.</li> </ul> <p>In the circumstances, the effectiveness of the overall internal control system and risk management in the College could not be confirmed.</p>	Matter Resolved	Resolved	We have The ICT Policy signed in Jan 2025
<b>Ineffective Internal Audit Function</b>	<p>During the year under review, the College did not have an effective Internal Audit Function to assess the effectiveness of its internal controls, risk management and overall governance. Therefore, the College did not plan or carry out an audit of its operations during the year under review.</p> <p>In the circumstances, the effectiveness of the overall internal control system and risk management by the College could not be confirmed.</p>	Internal Auditor Outsources from the mother institution	Resolved	



<p><b>Lack of Human Resource Plans</b></p>	<p>During the year under review, the College did not develop human resource plans that would be used in the recruitment, selection, appointment and deployment of employees. Further, the Management did not have a staff establishment in place. In the circumstances, it was not possible to ascertain whether the total staff employed by the College was at the optimal operating level and how key decisions regarding employees were made.</p>	<p>The Human resource plan developed in waiting for the board approval</p>	<p>Resolved</p>	
<p><b>Lack of an Operational Debt Recovery Policy</b></p>	<p>During the year under review, the College had no operational debt recovery policy and, as result, students' debts have continued to grow over the years. In the circumstances, the effectiveness of the College's debt management could not be confirmed and the College may face challenges in funding its operations. The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 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.</p>	<p>Debt management policy in place</p>	<p>Resolved</p>	

Accounting Officer



MABARA TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024



Name: Beatrice Nyareki

Mabara Technical & Vocational  
Principal/BOG Secretary  
Signature

Date..... 19th April, 2025.....



**Appendix II- Inter-Entity Confirmation Letter**



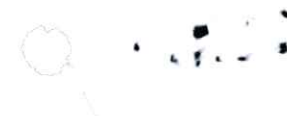
**MABERA TECHNICAL AND VOCATIONAL COLLEGE**  
 P.O. Box 205 - 40414, Isebania | Tel: 0757202284  
 email: maberatvc@gmail.com



Mabera Technical and Vocational College  
 P.O Box 205-40414, Isebania

The Mabera TVC wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below.

Confirmation of amounts received by Mabera Technical and Vocational College as at 30 <sup>th</sup> June 2024				
		Amounts Disbursed by Ministry of education state department of vocational and technical training as at 30th June 2024 (Kshs)	Amount Received by [beneficiary Entity]	Differences (KShs)



MABERA TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024



Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	(KShs) as at 30 <sup>th</sup> June 2024 (E)	(F)=(D-E)
DTE/CAP/9	02 <sup>nd</sup> Oct 2023	2,754,500	-	-	2,754,500	2,754,500	0
DTE/CAP/9/39(59)	18 <sup>th</sup> Jan 2024	2,376,500	-	-	2,376,500	2,376,500	0
3 <sup>rd</sup> qrt 2023/2024	12 <sup>th</sup> Feb 2024	2,716,000	-	-	2,716,000	2,716,000	0
Batch 5263 SD TVET 2023/24	01 <sup>st</sup> Mar 2024	4,447,912	0	0	4,447,912	4,447,912	0
Batch 527 SD TVET 2023/2024	14 <sup>th</sup> Mar 2024	174,691	0	0	174,691	174,691	0
4 <sup>th</sup> qrt 2023/2024	19 <sup>th</sup> Jun 2024	1,410,000	0	0	1,410,000	1,410,000	0
<b>Total</b>		<b>13,879,603</b>	<b>0</b>	<b>0</b>	<b>13,879,603</b>	<b>13,879,603</b>	<b>0</b>

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

**Head of Accountants department of beneficiary Entity:**

Name Beatrice Nyareki

Sign

Date 07/042025