

REPUBLIC OF KENYA




*Enhancing Accountability*

## REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

OF

**THE AUDITOR-GENERAL**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 08 MAR 2025	
DAY: Thursday	
TABLED BY: <b>ON</b>	Hon. Naomi Wago MP Deputy Majority Party Whip
CLERK-AT THE-TABLE:	A. Shibuko

**SIRISIA TECHNICAL AND VOCATIONAL  
COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2023**



---

**SIRISIA TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2023.**

---

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

**Sirisia Technical and Vocational College.**

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

---

## Table of Contents

Key Entity Information and Management .....	iv
Key Entity Information and Management (Continued) .....	ix
The Board of Governors.....	x
Management Team.....	xv
Chairman's Statement.....	xviii
Report of the Principal.....	xx
<b>I. Statement of Performance Against Predetermined Objectives .....</b>	<b>xxii</b>
Corporate Governance Statement .....	xxv
Management Discussion and Analysis .....	xxviii
<b>II. Environmental and Sustainability Reporting .....</b>	<b>xxx</b>
Report of the Board of Governors .....	xxxi
Statement of the Board of Governors Members' Responsibilities.....	xxxii
Report of the Independent Auditor on the Sirisia Technical and .....	xxxiv
<b>III. Statement of Financial Performance for The Year Ended 30 June 2023 .....</b>	<b>1</b>
iv Statement of Financial Position as at 30 June 2023 .....	2
v Statement of Changes in Net Asset for The Year Ended 30 June 2023 .....	3
vi. Statement of Cash Flows for The Year Ended 30 June 2023.....	4
vii. Statement of Comparison of Budget and Actual Amounts for The Year Ended 30 June 2023.....	5
Notes to The Financial Statements .....	7
Appendix 1: Progress On Follow Up of Auditor Recommendations .....	35
Appendix II: Projects Implemented by The Entity .....	37
Appendix III: Inter-Entity Transfers.....	38

**1.ACRONYMS & GLOSSARY OF TERMS.**

<b>BOG</b>	<b>Board of Governors</b>
<b>ICPAK</b>	<b>Institute of Certified Public Accountants of Kenya</b>
<b>IPSAS</b>	<b>International Public Sector Accounting Standards</b>
<b>PFM</b>	<b>Public Finance Management</b>
<b>PSASB</b>	<b>International Public Sector Accounting Standards Board</b>
<b>TVC</b>	<b>Technical and Vocational College</b>
<b>PSC</b>	<b>Public Service Commission</b>
<b>HELB</b>	<b>Higher Education Loans Board</b>
<b>KNEC</b>	<b>Kenya National Examination Council</b>
<b>TVET</b>	<b>Technical and Vocational Education and Training</b>

## **2.Key Entity Information and Management**

### **1.0 Background information**

Sirisia Technical and Vocational Training College was established under the TVET Act/ 2013. The Institute is domiciled in Kenya. The College is under the Ministry of Education.

Sirisia Technical & Vocational College is located in Sirisia Sub-County of Bungoma County, along Chwele- Lwakhakha Road near Sirisia Sub-County Hospital.

The idea to start the institute was mooted by the political, religious and community leadership in 2010. This was in line with the government policy of establishing a technical training institute in every constituency. The political leadership then availed funds to purchase approximately 5.6 hectares of land. It was registered by the then Ministry of Higher Education Science and Technology (MOHEST) in July 2021. The first block which was constructed in 2020, houses the offices and lecture rooms.

The first batch of 155 students was enrolled in Technical and Business courses in eight programs. Currently, the student population is 827 in the following programs; Building and Civil Engineering, Electrical and Electronics Engineering, Information Communication Technology and Business Management, Food and Beverage, Hairdressing and Beauty Therapy, Accountancy, Human Resource Management, Supply Chain Management and Social work and Community Development.

The number of staff stands at 47, of which 12 are non-teaching and 35 are teaching staff.

### **1.1 Physical Assets and Infrastructure**

The physical assets of Sirisia TVC comprise fixed assets such as land, buildings and movable assets including office equipment. The current premises where the Institution is situated was built in 2020 is on a 5.6 acres' piece of land in Bungoma County. As the Institution grows, there will be need for additional land in the vicinity for expansion. For this reason, there is need for the Institution to work very closely with the local community and local authorities to identify adequate land for future expansion. The Institution is developing a comprehensive Master Plan that will guide future development.

### **1.2 Enrolment and Staffing**

The enrolment of the Institute has registered phenomenal growth from 155 at the time of registration to 827 in June 2023. This is expected to grow due to good- will enjoyed from the community around the institute.

The institute currently has 8 teaching staff members employed by the PSC. The staff is well qualified and up to the task.

### **1.3 Physical Development**

As mentioned earlier there is only one block which houses offices and 8 rooms. Four rooms serve as workshops for Food and Beverage, Hairdressing and Beauty Therapy and ICT, The Institute's lack of accommodation facilities has limited the student catchment area to the immediate community of Sirisia, Bisunu, Namwela and Kimabole Locations.

Furthermore, the institute has no piped water. Sanitation facilities are inadequate for the growing student population. The physical growth is hindered by insufficient financial resources. The institute relies heavily on government grants because fees payment by students is very poor.

### **1.4 Funding**

Sirisia TVC gets its funding from the Government through the Ministry of Education and CDF through bursaries to students. The Government funds are in the form of capitation grants and operation grants.

### **1.5 Human Resource Requirements**

Sirisia TVC recognizes the importance of human resource as the driver to the successful implementation of this strategic plan. The STVC has qualified staff to run existing programs. However, to implement the expansion as envisaged in this strategic plan, the institution will continue to recruit qualified and competent staff in all relevant areas.

### **1.6 Training Programs**

The Institution has 8 academic departments to facilitate the realization of the strategic objectives spelt out in this plan. They will continue to pursue well defined academic programs and offer certificates and diplomas in respective trades.

The following are the current departments in STVC:

- Food and Beverage (Production and Service)
- Information Communication Technology (ICT)
- Building and Civil Engineering
- Business Studies
- Electrical and Electronics Engineering

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

---

- Applied Science and Medical
- Hair Dressing and Beauty therapy
- Agriculture
- Automotive Engineering

The proposed CBET courses are:

- Welding and fabrications
- Carpentry and Joinery
- Plumbing
- Solar Installation

**(b)Principal Activities**

Sirisia TVC draws its core function from the TVET Act 2013 where it shall offer programs up to Diploma level.

The functions of STVC include the following:

- To teach and train in Artisan, Craft and Diploma courses examined by KNEC and other accredited Examining bodies.
- To inculcate and promote micro enterprise activities within the institute and beyond
- To in-service the community in awareness in general issues like prevention of drug and alcohol abuse, etc.
- To develop and implement curricular in response to the demands in the labor market.
- To foster cultural and religious diversity.
- To foster linkages with industry and other institutions for the promotion of quality and relevant training.
- To conduct research and promote innovations.

**1.7 Vision, Mission and Motto**

**Vision**

To be an Institution of Choice, in the Provision of Quality and Relevant Technical Skills, Vocational Education and Training in the Region and Beyond.

**Mission**

To Provide Quality and Relevant Technical Skills, Vocational Education and Training through Research and innovations in collaboration with Stakeholders to produce highly skilled Human Resource.

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

---

**Motto**

Technology for Better Life

**1.8 Core Values**

This strategic Plan is built upon a set of interrelated core values that are embedded in beliefs and desired behavior found within Sirisia Technical & Vocational College. The Board of governors, the management and other stake holders embrace the following core values which represent the fundamental beliefs that influence the way the institute relates and deals with its customers and clients:

- Creativity and Innovativeness
- Integrity and Honesty
- Responsiveness and Timeline
- Transparency and accountability
- Teamwork
- Equity
- Fairness
- Professionalism
- Quality

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

---

**(c) Key Management**

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

Board of Governors.  
Accounting officer/ Principal  
Management

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Herbert Wanyoyi Musuya
2.	Deputy principal	Geoffrey Juma Khisa
3	Registrar	Fred Barasa Khisa
4	Dean of students	Hellen Namarome Makulia
5	Head of Finance	Annah Nangila Wanyama
6	Head of Procurement	Brian Sabiri

**(e) Fiduciary Oversight Arrangements**

**Audit and risk committee activities**

The committee will be responsible for monitoring the overall risk management frame work, financial reporting processes, compliance processes, the performance of auditors and overseeing the audit program

**Finance and operations committee activities**

The committee will provide the financial analysis, advice and oversight of the organizations budget. They will ensure that the organisation is operating with the financial resource that is available.

**Academic committee activities**

They will oversee the academic affairs of the college and make recommendations to the principal about the academic programmes and strategic programs.

## **Key Entity Information and Management (Continued)**

### **(f) Sirisia Technical and Vocational College**

#### **Registered Office**

P.O. Box 77-50208 SIRISIA (KENYA)

Sirisia Market

Along Chwele- Lwakhakha Road

E-mail: [enquiries@sirisiavocational@gmail.com](mailto:enquiries@sirisiavocational@gmail.com) or [info@sirisiatvc.ac.ke](mailto:info@sirisiatvc.ac.ke)

### **(g) Sirisia Technical and Vocational College Contacts**

Telephone: 0722881543

E-mail: [sirisiavocational@gmail.com](mailto:sirisiavocational@gmail.com) or [info@sirisiatvc.ac.ke](mailto:info@sirisiatvc.ac.ke)

Website: [www.sirisiatvc.ac.ke](http://www.sirisiatvc.ac.ke)

### **(h) Sirisia Technical and Vocational College Bankers.**

Kenya commercial bank

Moi Avenue

P.O. Box 380-50200

Bungoma, 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

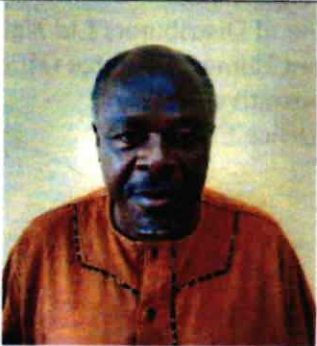
Harambee Avenue

P.O. Box 40112



City Square 00200

Nairobi, Kenya

### 3.The Board of Governors

No.	Member/ Director	Details
1.	 <p>Name: Kukubo Barasa                  DOB:19/12/1952.                  Designation: Chairman</p>	<p><b>Key qualification.</b>                  Bed-Kenyatta university.                  Education linguistics and African languages-                  university of Nairobi.                  Med (education communication and                  technology)-Kenya university.                  Med (adult education and Tesol)-Victoria                  University of Manchester, United Kingdom.                  1993-1995-towards.phd-language in                  education/applied linguistics.</p> <p><b>Work experience</b>                  34 years as University Lecturer.                  -Action for rights of Children (United                  Nation, Peace Missions in Sierra Leone and                  Liberia, save the children Alliance, Teachers                  and Military in Northern Uganda, various                  Police and Militaries through International                  Peace Support Training Centre. (IPSTC)                  -Minimum Standards for Education in                  Emergencies, Chronic Crises and Early                  Reconstruction for Unicef, International                  Rescue Committee, Norwegian Refugee                  Council, University of Nairobi, Save the                  Children Alliance.                  Teacher Education for World Bank and                  Government of South Sudan.                  Supervision of Trainee Teachers in Australia,                  Uganda and Kenya.</p>



**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

2.	 <p>Name: Job Rutto Shang'ani          DOB:11/11/1989.          Designation: Member.</p>	<p><b>Key qualifications:</b>          Bachelor of Commerce(BCOM)          Human Resource Option Second Class          Honors upper division.</p> <p><b>Work experience</b>          Data Guard Distributors Ltd Nairobi.          Assistant Human Resource Officer.          Administrative Officer          Front Office Executive.</p>
3.	 <p>Name: Vincent Wekesa Kunny          DOB:1959.          Designation: Member</p>	<p><b>Key qualification:</b>          Bed Arts-University of Nairobi.</p> <p><b>Working experience:36 years</b>          2008-2019: Principal at Ac Butonge Boys          High school.          2004-2008: Principal at Mang'ana Friends          High School.          1994-2004: Deputy principal at Ac Butonge          High School.</p>



**Sirisia Technical and Vocational College.  
Annual Report and Financial Statements for the year ended 30 June 2023.**

<p>4.</p>	 <p>Name: Miriam Songok DOB:20.2.1987 Designation: Member</p>	<p><b>Key qualification:</b> Bachelors of Business Administration (Procurement, Logistics and Supplies Management-Bugema University)</p> <p><b>Work experience:8 years</b> 2016-2020: Semi Africa (Recovery Officer). 2015-2016: Clovers Management) Collection and Recovery Officer 2014-2015: Golden marketing Ltd (Sales Executive) May 2012-August 2012-Rift Valley Bottlers (Procurement Intern).</p>
<p>5.</p>	 <p>Name: Inviolata Wacike Siboe DOB:22/01/1959 Designation: Member</p>	<p><b>Key qualification:</b> May2013-May2016: Master of construction project management- JKUAT. May 2010-April 2012: Bachelor of philosophy in construction management- UON at the Kenya polytechnic university college. Sept 1973- Dec 1985: Higher Diploma in Construction (Structures Option). Mombasa Polytechnic. 1978-1980: Diploma in Building and Civil Engineering-Kenya Polytechnic.</p> <p><b>Work experience</b> 40 years and above 2016 to present: Part Time Trainer (Railways Institute; 2012-2019:Capital Works Officer (University of Nairobi).</p>



**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

<p>6.</p>	 <p>Name: Desmond Juma Lusweti          DOB:1/1/1980          Designation: Member</p>	<p><b>Key qualification</b>          2019: Ongoing MSC –Managing innovation          Edinburgh Napier university.          2015-2018:MA Christians Education World          Bible School.          2017-2018: Cisco Certified System          Integrator.</p> <p><b>Work experience:</b>          17 years of work experience.          CEO of optic technologies Ltd and Samcen          Industrial Co Ltd.</p>
<p>7.</p>	 <p>Name: Scholastica. N. Masika          DOB:11/08/1958          Designation: Member</p>	<p><b>Key qualification</b>          2012-2015: Bachelor of business          Management; second class upper division-          MMUST          1998-2000: Diploma in Business          Management (Strathmore college)          1977-1978: Diploma in Secretarial Studies          (Christian industrial centre Kisumu).</p> <p><b>Work experience:</b>          Aug 2018 to Date: Running Business and          Engaged in Community.          July 2016- July2018: Nzoia Water Service          Company as Regional Commercial Manager.</p> <p>May 2010-July2016: Nzoia water services          CO as the Administrator.          May 2005-May 2010:Nzoia Water Services          CO. as Secretary to the Managing director.</p>




**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

8.	 <p>Name: Martha Wekesa          DOB:3/6/1966          Designation: County Director</p>	<p><b>Key qualification</b>          MSc \$Food Science and Technology</p> <p>Work Experience:          25Years of work          Martha Wekesa is the County Director of TVET.</p>
9.	 <p>Name: Herbert Wanyonyi Musuya          DOB:1966          Designation: Secretary</p>	<p><b>Key Qualification</b>          Dip Tech Education          Higher Diploma Building          Bachelor Tech Education.</p> <p><b>Work Experience:</b>  <b>31years of work.</b>          Currently the Principal Sirisia T.V.C</p>

#### 4. Management Team

No.	Member/ Director	Details
1.	 <p>Name: Herbert Wanyonyi Musuya DOB:1966 Designation: Secretary</p>	<p><b>Key Qualification</b> Dip Tech Education Higher Diploma Building Bachelor Tech Education.</p> <p><b>Work Experience:</b> 31years of work. Currently the Principal Sirisia T.V.C</p>
2.	 <p>Name: Geoffrey Juma Khisa DOB:12/12/1964 Designation:Deputy Principal</p>	<p><b>Key Qualification</b> MBA, BED (Arts),</p> <p><b>Work Experience</b> 30 years teaching experience Part time Lecturer in Uon, Mmust and Kibabii Universities.</p>

**Sirisia Technical and Vocational College.  
Annual Report and Financial Statements for the year ended 30 June 2023.**

<p>3.</p>	 <p>Name: Godfrey Wakasala DOB:12/12/1974 Designation: Quality Assurance</p>	<p><b>Key Qualification</b> M.E.D Education B.E.D Science Diploma Technical education. Diploma electronics engineering</p> <p><b>Working experience</b> 20 years of working</p>
<p>4.</p>	 <p>Name: Fred Khisa Barasa DOB:23/09/1989 Designation: Registrar</p>	<p><b>Key Qualification</b> BSc (Electrical and Electronic Engineering)- Technical University of Mombasa. EBK Member IETT Member</p> <p><b>Work Experience:</b> 5yrs of working</p>
<p>5.</p>	 <p>Name:Hellen Namarome Makulia DOB:24/06/1976 Designation:Dean of students</p>	<p><b>Key Qualification</b> BSc (Biomedical Science and Technology) University of Egerton</p> <p><b>Work Experience:</b> 17years of working.</p>

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

<p>6.</p>	 <p>Name: Annah Wanyama          DOB:14/04/1988          Designation: Finance Officer</p>	<p><b>Key qualification</b>          2022: Undertaking A Bachelors of Commerce Degree (Accounting Option), Kibabii University          Certified Public Accountant of Kenya (CPAK)          Accounting Technician Certificate (ATC)  <b>Work Experience:</b>          9 years of working          2013:2017-St Thaddeus Ndengelwa Sec School(Bursar)          April 2017-May2021: Musakasa Technical Training Institute(Accountant)          June 2021: To Date:(Sirisia Tvc Finance Officer)</p>
<p>7.</p>	 <p>Name:Brian Sabiri          DOB:05/03/1990          Designation: Procurement Officer</p>	<p><b>Key qualification</b>          Bachelor of procurement and supplies management.          2022 Kenya institute of supplies management  <b>Work experience:</b>          2022-2023 Worked as the store's manager county assembly.          June 2023: Sirisia TVC Procurement Officer.</p>

## **5.Chairman’s Statement**

On behalf of the Sirisia Technical & Vocational College Board, I am pleased to present the Annual Report for the 2022/2023 Financial Year. It was a productive financial year and I have enjoyed being part of the dynamic team at Sirisia Technical & Vocational College. The education sector is currently facing reforms with the focus area being quality over quantity as the strategic driving force to the Ministry of Education.

Sirisia Technical & Vocational College remains committed to all its stakeholders in executing its mandate as outlined in the 2021-2026 strategic Plan whose overall theme is to achieve Global excellence in Technical Training Institute Education. The Technical & Vocational College is mandated to execute the various strategic directions as set out in the Plan, marking its third year of execution.

During FY 2022/2023, Sirisia Technical & Vocational College received a good number of students reporting to the Institute enhancing its viability and future growth.

### **Training Programmes**

The Institution has 8 academic departments to facilitate the realization of the strategic objectives spelt out in this plan. They will continue to pursue well defined academic programmes and offer certificates and diplomas in respective trades.

The following are the current departments in STVC:

- Food and Beverage (Production and Service)
- Information Communication Technology (ICT)
- Building and Civil Engineering
- Business Studies
- Electrical and Electronics Engineering
- Hair Dressing and Beauty therapy
- Agriculture
- Automotive Engineering

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

---

The proposed CBET courses are:

- Welding and fabrications
- Carpentry and Joinery
- Plumbing
- Solar Installation
- Food and beverage production

**Financial Performance**

In the financial year that ended June 2023 Sirisia Technical & Vocational College recorded a better financial performance. This attributed to stringent financial management measures. We recorded a good increase in student enrolment as from 587-827 thus 40.89% increase as at 30<sup>th</sup> June 2023.

To improve the Institute's infrastructure and enhance students' experience an ongoing building (Tuition/Administration block.) was completed to provide more space to students and staff.

As I conclude, I would like to extend my sincere gratitude to Sirisia Technical & Vocational College Board, our Principal and his entire Management Board, our staff members, students, partners and donors, for their commitment and collaboration towards the Technical & Vocational College. I am optimistic that the Technical Training Institute is headed to a prosperous future that can only bode well for this great Institution.

Thank you



Kulsabo Barasa

Chairman of Board

## 6. Report of the Principal

Dear stakeholders, the college started on 6/01/2020 with a student population of 155, with one PSC trainer as the Principal Madam Monica Okumu and 10 BOG employed trainers with the following departments: -

1. Food & Beverage
2. Hair Dressing and Beauty Therapy
3. Building and Civil Engineering Department.
4. Electrical Engineering Department.
5. General Agriculture Department
6. Business Department

The college had received training equipment under the Avic China support through State Department of Technical and Vocational in: - Food and Beverage and Hair Dressing and Beauty Therapy.

The Board of Governors was inaugurated on 01/02/2021. Currently the college has a student population of 827 students and 8 trainers under PSC and 27 Trainers employed by BOG.

### Challenges

- i. We have inadequate training tools and Equipment in Building and Electrical Departments.
- ii. There is inadequate and unreliable supply of water.
- iii. Inadequate number of workshops, classrooms etc.
- iv. At the beginning doors were not opened by the contractor so learning was taking place under trees and some corridors due to incomplete payment by the Ministry.
- v. We are indebted to the government for supporting our operations through funding from capitation and HELB. however, the majority of our students are class 8 leavers who do not qualify for funding from capitation. at the same time most of the students shy away from applying for HELB loans for the reasons we are not well aware.
- vi. Lack of hostels for students' accommodation.
- vii. Lack of tools and equipment's
- viii. High wage bill for BOG Trainers that drains into the institutes finances which leaves no finances for the institutes capital development project.
- ix. Lack of funds for capacity building workshops/students participation in all extra-curricular activities.

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

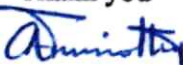
---

- x. Lack of school bus for marketing and students transport

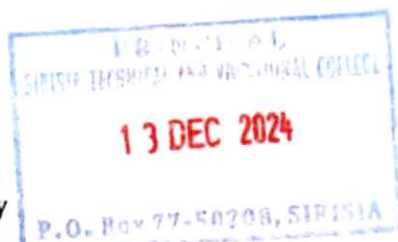
**Achievements**

- i. The college has been accredited by TVETA to 20 different courses at Diploma, Craft and Artisan Levels.
- ii. We purchased and installed a 10,000 litre water tank for harvesting rain water to be used by students.
- iii. We managed to purchase assorted tools in Plumbing, Electrical and Masonry Sections.
- iv. We have the potential for growth as we have been receiving enquiries Admission into our various courses.
- v. We registered 58 pioneer candidates for November/December 2021 KNEC series examinations and we had 69% overall pass. Our second group of 87 candidates sat for June/July series exams and the results are yet to be released.
- vi. We also participated in drama where we managed to compete up to the national level which was held at Kenya Cost National Polytechnic in Mombasa.
- vii. Our collective effort will make us and our actions will help actualize this dream of a Technical & Vocational Training in serving society and the world.
- viii. Implementation of MIS
- ix. Increased student population from 155 to 827 within a span of 2 years.
- x. The college has worked in partnership with the CDF to construct the fence and gate.
- xi. We have increased the number of candidates for KNEC exams from the initial 58 to 141 and the pass rate from 69% to 80%.
- xii. I wish to convey my gratitude to all staff, both academic and administrative and the students who together, are lending to form our collective dream. Together we shall deliver

Thank you

  
Clara A Timothy

Principal/ Board Secretary



**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

**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.

SIRISIA TVC has 6 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2022- FY 2023. These strategic pillars are as follows:

**Strategic Pillars**

- i. To provide quality, relevant, technical skills, vocational education and training.
- ii. To acquire competent and adequate staffing levels.
- iii. To establish an effective and efficient performance management system.
- iv. To establish relevant and quality community and industry linkages.
- v. To institutionalize and implement an efficient service delivery system.
- vi. To build and improve adequate infrastructural capacity.

<b>Key Result Areas</b>	<b>Strategic Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
1. To provide quality, relevant, technical skills, vocational education and training.	Initiate market-driven and relevant training programs	MOUNT CBET courses in artsan level4	-apply to CBET for accreditation	Awaiting response.
	Develop an internal quality assurance system	Establish quality assurance office	Appoint quality assurance officer	Internal quality assurance office established
	Develop partnership and exchange programs	Provision of health services to staff and students	Sign M.O.U with Sirisia Sub county hospital	Linkage signed
	Provide adequate training materials	Procure teaching and learning materials	Tender advertised	L.P.O
	To initiate courses that enhances the implementation of the Big 4 Agenda.	Mount CBET courses	Apply for inspection	Applications made
2.To build a sustainable institutional capacity	Develop strategic and operational plans	Develop strategic plan	Consultative meeting with stakeholders	Strategic plan complete.
	Diversify sources of income	Increase area	Hire 2 acres	Farming done

**Sirisia Technical and Vocational College.**

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

<b>Key Result Areas</b>	<b>Strategic Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
	and funding	under crop farming	of land for farming.	
	Develop and implement study and work environment policy	Develop policies related to working environment e.g. safety and security measures	Appoint committees to develop policies	In progress
3.To establish and improve adequate infrastructural capability	Develop and implement infrastructural development plan	Develop STVC development plan	Tender advertisement.	In progress
	Acquire modern and relevant training equipment	Procure training equipment	Tender advertisement.	In progress
	Develop and implement maintenance policy for infrastructural facilities	Develop maintenance policies	Appoint of committee members	In progress
	Construct two sanitary blocks	Enhanced sanitary facilities	Solicit for funds	In progress
4.To acquire competent and adequate staffing levels	Establish and implement an effective performance management system	Develop quality management systems and policies	Establish committee to establish develop Q.M.S	Q.M.S developed.
5. To establish an effective and efficient performance management system.	Develop and document customer service standards	Develop citizens service delivery charter	Display service delivery charter	Service delivery charter displayed
	Establish and implement relevant and appropriate management information	Establish complaints/compliments box	Display the complaints	Designing of the box in

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

<b>Key Result Areas</b>	<b>Strategic Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
	systems		and compliments box at appropriate place	progress
	Establish and implement a risk and disaster management policy	Establishing safety and security measures	Constitute a committee to develop a disaster management policy	Meetings in progress
6.To develop and extend quality and relevant community outreach services and programs	Participate in public fora and exhibitions	Undertake research and innovations	Participate in trade Tvet Fairs and Research Paper Seminars	Participated in Tvet Fair
	Develop and implement a community outreach policy	Conduct environmental clean-up in Sirisia market	Create awareness	Done
	Create brand identity and public relations system	Provide staff identification cards	Tender advertisement	In progress

## **8. Corporate Governance Statement**

Sirisia TVC is governed by the Board of Governors. The Board provides strategic direction, exercises control and remains accountable through effective leadership, enterprise, integrity and good judgment. It is diverse in its composition, independent but flexible, pragmatic, objective and focused on balanced and sustainable performance of the Institute.

### **Appointment of Board Members**

- i. Every appointment is by name and by notice in the Kenya Gazette but ceases if the Council member:
  - a) Serves the appointing authority with a written notice of resignation; or
  - b) Is absent, without the permission of the Chairperson, from the three consecutive meetings; or
  - c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings; or
  - d) Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board; or
  - e) Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of the Board.
- ii. Any removal of a Board member under (i) above, shall be through formal revocation.

### **Ethics and Conduct**

The Board adheres to the Code of Conduct and Ethics for State Corporations (SCs) which focuses on ethical conduct and integrity at the workplace. It defines the Board's commitment to the highest standards of behaviour so as to contribute to the achievement of the national development goals. The Code sets out expectations for individual behaviour necessary to meet these standards and includes requirements and guidance to help carry out their roles with integrity and in compliance with the law. By exemplifying the ethical behaviours and corporate values described in the Code, the Board is expected to uphold Article 10 of the Constitution of Kenya, 2010 on National Values and Principles of Governance and Chapter 6 on Leadership and Integrity.

### **Conflict of Interest Policy & Disclosures**

A conflict of interest may arise where a Board member or close family member such as a spouse, child, parent or sibling has private interests that could improperly influence the performance of the Board member's official duties and responsibilities. Conflict may also arise where a Board member uses their office for personal gain.

Board members are required to avoid conflict of interest and deal at arm's-length in any matter that relates to the organization. However, a Board member who identifies an area of conflict

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

---

shall be required to disclose any actual or potential conflict of interest to the Board. In so reporting, the Board member is required to provide all relevant information, including information which relates to their immediate family members by blood or marriage which is related to the area of conflict. When declared, the Board member shall abstain from decisions where the conflict exists.

The Secretary keeps a record of conflicts of interest declared, for accountability purposes, and as a rule of good practice on appointment and on regular intervals or at any time when circumstances change, all members shall in good faith disclose to the Board for recording, any other business or interest likely to create a potential conflict of interest.

**Board Remuneration**

Board members are remunerated for their services in accordance with State Corporations Act provisions and/or guidance from the State Corporations Advisory Committee. In line with best practice, the remuneration includes Honoraria for the Chair of Board and allowances for all members on attendance of Board meetings.

**Board Induction and Training** When New Board members are appointed, the Institute organizes for induction of new Board members in order to familiarize themselves with their responsibilities as Members of Board, general principles of corporate governance and Council practices. The induction programme provides the Board members with an orientation of the organization, strategic plans, financial status and policies, risk management, compliance programmes and the Code of Conduct and Ethics. The current Council members were inducted in the year under review.

**Board Responsibilities**

Board of Governors, during the inauguration on 1/02/2021, was sensitized on their roles and responsibilities according to the TVET Act which were.

- a) Overseeing the conduct of education and training in the Institute in accordance with the provisions of TVET Act 2013 and any other written law.
- b) Promoting and maintaining standards, quality and relevance in education and training in the Institute in accordance with the TVET Act 2013 and any other written law.
- c) Administering and managing the property of the Institute
- d) Developing and implementing the Institute's Strategic Plan – STVC Strategic Plan 2021 – 2026 was developed by the Board.
- e) Preparing annual estimates of revenue and expenditure for the Institute and incurring expenditure on behalf of the Institute

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

- f) Receiving, on behalf of the Institute, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons.
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of TVET Act 2013
- h) Mobilizing resources for the Institute
- i) Developing and reviewing programmes for training and to make recommendation to TVETA – *the Board is in the process of launching CBET Curriculum*
- j) Regulating the admission and exclusion of students from the Institute, subject to a qualifications framework and the provisions of TVET Act 2013
- k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Ministry.
- l) Recruiting and appointing trainers from among qualified professionals and practicing trades persons in relevant sectors of industry
- m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the Institute in consultation with the Authority
- n) Making regulations governing organization, conduct and discipline of the staff and students
- o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board.
- p) Providing for the welfare of the students and staff of the Institute  
 Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the Institute
- r) Discharging all other functions conferred upon it by TVET Act 2013 or any other written law
- The meeting attendance of the Board members during the Full Board meeting is shown below:**

S/No	Name	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1.	KUKUBO BARASA	✓	✓	✓	✓
2.	SHANG'ANI RUTO	✓	✓	✓	✓
3.	MIRIAM SONGOK	✓	✓	✓	✓
4.	INVIOATE SIBOE	✓	✓	✓	✓
5.	VINCENT KUNNY	✓	✓	✓	✓
6.	SCHOLASTICA MASIKA	✓	✓	✓	✓
7.	MARTHA WEKESA	✓	✓	✓	✓
8.	DESMOND JUMA	✓	✓	✓	✓
9	HERBERT MUSUYA	✓	✓	✓	✓

## 9. Management Discussion and Analysis

### **The Institute operational and Financial Performance.**

Generally, the Institute operated at a net surplus of Kshs. during 7,892,245 the financial year. This was majorly due to the factors below;

- Reduction on expenditure as a result of COVID-19.
- Increase in students' population.

This is an indication that the polytechnic is growing well and the going concern is guaranteed.

### **Compliance with Statutory Requirements**

By the end of the year, the Sirisia TVC had paid all its statutory requirements in terms of NSSF, NHIF, PAYE payable to KRA. The Institute is operating under legal frame works necessary under public sector requirement such as;

- The Constitution of Kenya, 2010
- TVET Act, 2013
- PFM Act, 2012
- Procurement and Assets Disposal act, 2015
- IPSAS standards.
- All other relevant laws in its operation (regular circulars from treasury and ministry of education)

### **Key Projects the Institute Implemented**

*The Institute has the following projects:*

*i) Tuition Block*

The project is expected to promote practical learning and research in the Institute. The project will be sustainable since it will be used to promote research, innovation and entrepreneurship. This will contribute to reduction of poverty in the society. This project is financed by Government of Kenya through the Mentor institution (KISIWA T.T.I). The contract sum of the project was Ksh 55,911,022

**Major risks the Institute is facing;**

**Operational Risks**

The Institute faces competition for resources including; students, staff and financial resources.

The Institute's financial assets are trade receivables as well as cash and short-term deposits which arise directly from its operations. The Institute has financial liabilities comprising trade and other payables which are all current. The management has ensured timely payment to suppliers and other service providers, hence no historic debt.

The Institute has exposure to the following risks:

- i) Liquidity risks
- ii) Credit risks

The Council has overall responsibility for the establishment and oversight of the Institute's risk management framework.

**Liquidity Risk**

Liquidity risk is the risk that the Institute will not be able to meet its financial obligations as they fall due. The Institute's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Institute's reputation.

**Credit Risk**

Credit risk is the risk of financial loss to the Polytechnic if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the organization's receivables from customers. The Institute receives fees from students as well as capitation from the Government which minimizes the credit risk exposure.

**Material Arrears and Financial Obligations**

The Institute had substantial fees arrears totalling to Ksh 22,604,167 which had not been received by the year end.

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

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

### **Sustainability strategy and profile**

The BOG will provide the overall policy directions and guidelines, sanctioning, authorization as well as resource allocation for the realization of planned objectives. The BOG will also cause the undertaking of mid-term Strategic Plan review and realignment as appropriate. The Principal will guide the creation and implementation of the balanced scorecard that has been adopted as the main Strategic Plan implementation and performance measurement tool. The Principal will also cause periodic strategy and performance audits and reviews to be undertaken in order to keep the Plan synchronized with emerging needs.

### **Environmental performance**

Just as important, the frugal use of resources will be an integral part of resource utilization and management. The Institution is committed to optimal resource utilization including human resource allocation and management. It is expected that for the envisaged comprehensive performance management to be developed and implemented, the output will be measurable and manpower productivity will be enhanced and sustained. Financial resources will be used according to plans and accounts reported in line with the government guidelines.

### **Employee welfare**

Human Resource is critical to the successful implementation of this strategic plan. This will require the development of human resource strategy that targets sourcing (recruitment and selection), performance management system, reward management, training and development as well as the provision of personnel welfare services.

The Human Resources projection is estimated to grow at a rate of 10% per annum. The strategic Human Resources approach will also focus on satisfying the intellectual capital requirements of STVC. Human Resource Management will be concerned with developing resource capability and achieving "strategic fit" by building on and providing a unifying framework for human resource management through a "best fit" and "best practice" approach for strategic integration.

## 11. Report of the Board of Governors

The Board submits the report together with the financial statements for the year ended June 30, 2023 which shows the state of Sirisia TVC'S affairs.

### Principal activities

The principal activities of the Sirisia TVC continues to be provision of training to artisans, craftswomen and men, technicians, technologists, business women and men at artisan, craft and diploma certificate levels.

### Results

The results of the entity for the year ended June 30, 2023 are set out from page 1

### Board of Governors

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

### Auditors

The Auditor General is responsible for the statutory audit of Sirisia TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 were nominated by the Auditor General to carry out the audit of the Institution for the year ended June 30, 2023 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

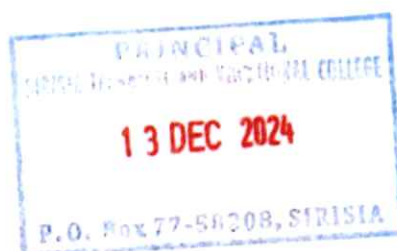


Clara A Timothy.

Principal / B.O.G Secretary

Bungoma

Date..13/12/2024



## **12.Statement of the Board of Governors Members' Responsibilities**

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

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

The board members accept responsibility for Sirisia Tvc's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The board members are of the opinion that Sirisia Tvc's financial statements give a true and fair view of the state of the Institution's transactions during the Annual year ended June 30, 2023, and of the Institution's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the Institution, which have been relied upon in the preparation of the Institution's financial statements as well as the adequacy of the systems of internal financial control.

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

---

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

**Approval of the financial statements**

Sirisia Tvc's financial statements were approved by the Board on 21 September 2023 and signed on its behalf by

Name... *KUKUBO BARASA*

Signature... *[Handwritten Signature]*

Chairperson of the Board/Council

Name... *CLARA A. TIMOTHY*

Signature... *[Handwritten Signature]*

Accounting Officer/Principal



# REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON SIRISIA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

---

### 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.
- 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

The accompanying financial statements of Sirisia Technical and Vocational College set out on pages 1 to 36 which comprise the statement of financial position as at 30 June, 2023 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 have been audited on my behalf by Ndakala Advisory LLP, auditors appointed under Section 23 of the Public Audit Act, 2015 and in accordance with the provisions of Article 229 of the Constitution of Kenya. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

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 Sirisia Technical and Vocational College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical, Vocational and Educational Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Undisclosed Expenditure**

The statement of financial performance reflects total expenses amount of Kshs.26,581,651. Review of documents provided for audit revealed that expenditure amounting to Kshs.518,602 was incurred during the year under review. However, the expenditure was not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of total expenses amount of Kshs.26,581,651 could not be confirmed.

#### **2. Unconfirmed Property, Plant and Equipment Balance**

The statement of financial position reflects property, plant and equipment balance of Kshs.74,329,260 and as disclosed in Note 19 to the financial statements. Included in the balance is a balance of Kshs.5,600,000 relating to value of the College's land whose ownership documents and valuation report were not provided for audit review. Further, Note 19 to the financial statements reflects Kshs.55,911,022 relating to the costs incurred in the construction of the College's buildings whose supporting documents including invoices, payments certificates or valuation report were not provided for audit review.

In addition, the value of laptops acquired during the year under review at a cost of Kshs.155,680 was not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.74,329,260 could not be confirmed.

#### **3. Unexplained Variances Between Financial Statements and Supporting Schedules Balances**

The statement of financial performance reflects rendering of services revenue amount of Kshs.23,600,270, which as disclosed in Note 7 to the financial statements includes tuition

fees amounting to Kshs.7,525,700. However, supporting schedules indicate tuition fees amount of Kshs.5,305,091, resulting to unexplained variance of Kshs.2,220,609. Further, the statement of financial position reflects inventories balance of Kshs.112,560 while supporting schedules reflect a balance of Kshs.196,259, resulting to unexplained variance of Kshs.83,699.

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

#### **4. Unconfirmed Intangible Assets Balance**

The statement of financial position reflects intangible assets balance of Kshs 463,500. Information available indicate that the College incurred an expenditure of Kshs.348,000 in relation to installation of a management information system on 8 June, 2023. However, the amount has been excluded from the intangible assets balance.

In the circumstances, the accuracy and completeness of the intangible assets balance of Kshs.463,500 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of Sirisia 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.

#### **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**

In the audit report of the previous year, several issues were raised under Report on Financial Statements and the Report on Effectiveness of Internal Controls, Risk Management and Governance. However, although Management has indicated that all the issues have been resolved under progress on follow up of auditor recommendations section of the financial statements, no evidence was provided for audit review indicating whether or not the issues were resolved.

In the circumstances, the issues remain unresolved.

## **Other Information**

The Management is responsible for the other information set out on page iii to xxxii which comprise of Key Entity Information and Management, the Board of Governors, Management Team, Chairman's Statement, Report of the Principal, Corporate Governance Statement, Management Discussion and Analysis, Report of the Board of Governors, Statement of Performance Against Predetermined Objectives, Statement of Board of Governors' Responsibilities and Environmental and Sustainability Reporting Statement. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on 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 USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter 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**

#### **Non-Compliance with Law on Staff Ethnic Diversity**

Analysis of the payroll and staff list provided for audit review revealed that during the year under review, the College had forty-six (46) employees, both teaching and non-teaching and on permanent and pensionable and contractual terms. However, out of the total number, forty-three (43) employees or 93% were from one ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that no public establishment shall have more than one third of its staff from one ethnic community.

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

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 have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the 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. Internal Controls Weaknesses in Data Management**

Review of the college's operations revealed Management's involvement in processing and storage of Personal Identifiable Information (PII) including information of employees during payroll processing and information of students during admission and funding purposes. However, the College is not registered as a data controller or a data processor contrary to Section 18 (1) of the Data Protection Act, 2019, which states that no person shall act as a data controller or data processor unless registered with the data commissioner.

Further, the College had not developed a data protection and privacy policy as at the time of the audit in December, 2024. In addition, the College had not carried out data protection impact assessment to identify and mitigate privacy risks before they occur and ensure that data protection and privacy principles are effectively incorporated in the operations of the College in line with Section 31 of the Act.

In the circumstances, the College risks potential fines and penalties in case of data management breach to the respective individuals or suppliers

#### **2. Lack Risk Management Policy**

During the year under review, the College operated without a documented risk management policy that would provide the guidelines on how to identify and mitigate operational and other risks the College faces. Further, no evidence was provided for audit review indicating that the College performed risk assessment during the year under review. This was contrary to Regulation 165(1) (a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which state that the Accounting Officer shall ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

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

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.

### **Responsibilities of the Management and the Board of Governors**

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements 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 International Standards for Supreme Audit Institutions (ISSAIs). The standards require 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 ISSAIs 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 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

27 January, 2025

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

**14. Statement of Financial Performance for The Year Ended 30 June 2023**

	Notes	Jun-23	Jun-22
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	6	9,661,000	6,372,500
Public contributions and donations		-	-
<b>Total Revenue from non-exchange transactions</b>		<b>9,661,000</b>	<b>6,372,500</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	23,600,270	12,285,695
Sale of goods	8	397,956	12,600
Rental revenue from facilities and equipment	9	-	3,600
<b>Revenue from exchange transactions</b>		<b>23,998,226</b>	<b>12,301,895</b>
<b>Total revenue</b>		<b>33,659,226</b>	<b>18,674,395</b>
<b>Expenses</b>			
Use of goods and services	10	15,609,915	9,615,623
Employee costs	11	5,335,214	3,554,970
Remuneration of directors	12	619,000	757,000
Depreciation and amortization expense	13	4,698,016	4,301,021
Repairs and maintenance	14	319,506	104,655
<b>Total expenses</b>		<b>26,581,651</b>	<b>18,333,269</b>
<b>Net Surplus for the year</b>		<b>7,077,575</b>	<b>341,126</b>

The notes set out on pages 7 to 38 form an integral part of the Annual Financial Statements.

Accounting Officer

Name: CHARA A. TIMOTHY

Date: 13/12/2024

Head of finance

Name: ANITA WANDYANA

Icpak Member Number: 28033

Date: 13-12-24

Chairman of the Board

Name: KUKUBO BARASA

Date: 17-12-24

13 DEC 2024

*Timothy*

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

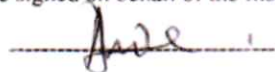
**15. Statement of Financial Position as at 30 June 2023**

	Notes	Jun-23	Jun-22
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	2,671,008	1,014,494
Receivables from exchange transactions	16	22,604,167	11,384,172
Receivables from non-exchange transactions	17	0	-
Inventories	18	112,560	165,000
<b>Total Current Assets</b>		<b>25,387,735</b>	<b>12,563,666</b>
<b>Non-current assets</b>			
Property, plant and equipment	19	74,329,260	77,701,497
Intangible assets	23	463,500	-
<b>Total Non-current Assets</b>		<b>74,792,760</b>	<b>77,701,497</b>
<b>Total assets</b>		<b>100,180,495</b>	<b>90,265,163</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	20	3,209,446	1,140,455
Payments received in advance	21	1,392,166	623,400
<b>Total Current Liabilities</b>		<b>4,601,612</b>	<b>1,763,855</b>
<b>Non-current liabilities</b>			
Borrowings		-	-
<b>Total Non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>4,601,612</b>	<b>1,763,855</b>
<b>Capital and Reserves</b>			
Reserves		83,711,722	83,711,722
Accumulated surplus		11,867,161	4,789,586
Capital Fund		-	-
<b>Total Capital and Reserves</b>		<b>95,578,883</b>	<b>88,501,308</b>
<b>Total Liabilities and Capital &amp; Reserves</b>		<b>100,180,495</b>	<b>90,265,163</b>

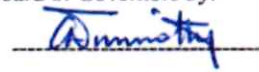
The Financial Statements set out on pages 1 to 6 were signed on behalf of the Institute Board of Governors by:



Chairman of Council/Board of Governors



Finance Officer  
ICPAK No 26033



Principal

Date: 17.12.24

Date: 13.12.24

Date: 13/12/2024



## 16.Statement of Changes in Net Asset for The Year Ended 30 June 2023

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
<b>Balance b/f at July 1, 2021</b>	<b>83,711,722</b>	<b>0</b>	<b>4,448,460</b>	<b>0</b>	<b>88,160,182</b>
Revaluation gain	0				0
Fair value adjustment on quoted investments					0
Total comprehensive income			341,126		341,126
Capital/Development grants received during the year					0
Transfer of depreciation/amortisation from capital fund to retained earnings					0
<b>Balance c/d as at June 30, 2022</b>	<b>83,711,722</b>	<b>0</b>	<b>4,789,586</b>	<b>0</b>	<b>88,501,308</b>
<b>Balance b/f as at July 1, 2022</b>	<b>83,711,722</b>	<b>0</b>	<b>4,789,586</b>	<b>0</b>	<b>88,501,308</b>
Revaluation gain					0
Fair value adjustment on quoted investments					0
<b>Total comprehensive income</b>			<b>7,077,575</b>		<b>7,077,575</b>
Capital/Development grants received during the year					0
Transfer of depreciation/amortisation from capital fund to retained earnings					0
<b>Balance c/d as at June 30, 2023</b>	<b>83,711,722</b>	<b>0</b>	<b>11,867,161</b>	<b>0</b>	<b>95,578,883</b>

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

**17. Statement of Cash Flows for The Year Ended 30 June 2023**

		Jun-23	Jun-22
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants	6	9,661,000	6,372,500
Rendering of services- Fees from students	7	11,443,027	6,467,428
Sale of goods	8	397,956	12,600
Rental revenue from facilities and equipment	9	0	3,600
<b>Total Receipts</b>		<b>21,501,983</b>	<b>12,856,128</b>
<b>Payments</b>			
Compensation of employees	11	5,335,214	3,554,970
Use of goods and services	10	12,570,469	8,475,168
Directors Remuneration	12	619,000	757,000
Repair & Maintenance	14	149,506	104,655
<b>Total Payments</b>		<b>18,674,189</b>	<b>12,891,793</b>
<b>Net cash flows from operating activities</b>		<b>2,827,794</b>	<b>-35,665</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	19	-1,171,280	-383,000
Proceeds from sale of property, plant and Equipment			
Decrease in non-current receivables			
Increase in investments			
<b>Net cash flows used in investing activities</b>		<b>-1,171,280</b>	<b>-383,000</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings			
Repayment of borrowings			
Increase in deposits			
<b>Net cash flows used in financing activities</b>		<b>0</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,656,514</b>	<b>- 418,665</b>
Cash and cash equivalents at 1 July 2022		1,014,494	1,433,159
Cash and cash equivalents at 30st June 2023	15	2,671,008	1,014,494
<b>Cash and cash equivalents as per the Balance Sheet</b>		<b>2,671,008</b>	<b>1,014,494</b>

Accounting Officer

Name: CLARA A. TIMOTHY

Date: 13/12/2024

Head of finance

Name: ANNATH WANYAMA

Icpak Number: 26033

Date: 13.12.24

Chairman of the Board

Name: KUKUBO BARAST

Date: 17.12.24

18. Statement of Comparison of Budget and Actual Amounts for The Year Ended 30 June 2023

BUDGET LINE	Annual Budget	Adjustments	Final	Actual	Performance difference	Utilisation Difference
	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023
<b>Revenue</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>%</b>
Revenue from non-exchange transactions	21,000,000	-10,000,000	11,000,000	9,661,000	1,339,000	6%
Rendering of services- Fees from students	18,494,000	-6,494,000	12,000,000	23,600,270	-11,600,270	-63%
Sale of goods	300,000	120,000	420,000	397,956	22,044	7%
<b>Total income</b>	<b>39,794,000</b>	<b>-16,374,000</b>	<b>23,420,000</b>	<b>33,659,226</b>	<b>-10,239,226</b>	
<b>Expenses</b>						
Use of goods and services	17,689,000	-9,689,000	8,000,000	10,421,916	-2,927,698	-17%
Employee costs	8,750,000	-2,750,000	6,000,000	5,335,214	664,786	8%
Remuneration of directors	1,600,000	-800,000	800,000	619,000	181,000	11%
Depreciation and amortization expense	3,150,000	0	3,150,000	4,698,016	-1,548,016	-49%
Repairs and maintenance	1,615,000	-1,400,000	215,000	319,506	-104,506	-6%
General expenses	6,990,000	-1,735,000	5,255,000	4,682,217	572,783	8%
<b>Total Expenditure</b>	<b>39,794,000</b>	<b>-16,374,000</b>	<b>23,420,000</b>	<b>26,581,651</b>	<b>-3,161,651</b>	
<b>Surplus for the Period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,077,575</b>	<b>-7,077,575</b>	<b>0</b>

**Budget notes.**

**i) Sale of goods:**

Due changes in weather condition we did not manage to get the anticipated harvest from the farm.

**ii) Depreciation & amortization Expenses**

Depreciation was the actual costs that could have been incurred hence the variance.

**iii) Remuneration of directors**

The variance is a result of online meetings for the directors.

**iv) Rendering of services- Fees from students**

Majority of the students did not benefit from HELB loan due to lack of funds.

## 19. Notes to The Financial Statements

### 1. General Information

Sirisia 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. Sirisia Technical and Vocational College principal activity is to teach and train in Artisan, Craft and Diploma Courses Examined by KNEC and other accredited Examining bodies.

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

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

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

## 3. Adoption of New and Revised Standards

Standard	Impact
Other Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</li> <li>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</li> <li>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</li> <li>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</li> </ul>
Other Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <ul style="list-style-type: none"> <li>e) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</li> <li>f) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time</li> </ul>

	<p>Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>g) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>h) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>
--	---

**i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.**

<b>Standard</b>	<b>Effective date and impact:</b>
<p><b>IPSAS 41: Financial Instruments</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b>                      The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>•Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>•Applying a single forward-looking expected credit loss model that is applicable to all</li> </ul>

	<p>financial instruments subject to impairment testing; and</p> <ul style="list-style-type: none"> <li>•Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>

**Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2023.

**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.

### **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 2022/2023 was approved by the Council or Board on 04/02/2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

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 XV of these financial statements.

### **c) Taxes**

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

The Sirisia Technical and Vocational College is exempt from paying taxes as per Public Finance Management Act 2012 and TVET Act 2013.

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

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

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

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

**d) Investment property**

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period 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. Rates used for depreciation are as follows: Land 0%, Building 2%, Motor vehicles, Furniture and Fittings 12.5%, Computers, printers and copiers 33.3%, library books 20%, Plant and Equipment 12.5% and intangible assets 25%.

**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.

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 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.

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

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments

- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

### **Financial liabilities**

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

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

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

#### **Loans and borrowing**

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

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

#### **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 cost

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.

**i) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements.

**j) 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.

**k) 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.

**l) 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.

**m) 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.

**k) 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.

**l) 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.

**m) 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.

**n) Comparative figures**

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

**o) 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, 2023.

**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.

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.

Notes to The Financial Statements (Continued)

6(a) Transfers from National Government Ministries

Description	June 2023	June 2022
	kshs	kshs
<b>Unconditional grants</b>		
Operational grant	1,500,000	500,000
Other grants		
<b>Conditional grants</b>		
Capitation grant	8,161,000	5,872,500
Hostels grant		
Administration block grant		
Laboratory grant		
Learning facilities grant		
Other organizational grants		
Other organizational grants		
<b>Total Government grants and subsidies</b>	<b>9,661,000</b>	<b>6,372,500</b>

7. Rendering of Services

Description	June 2023	June 2022
	kshs	kshs
Tuition Fees	7,525,700	4,460,400
Activity Fees	1,835,940	1,300,920
Personal Emoluments	3,721,500	2,259,500
Electricity, Water & Conservancy	1,984,800	1,104,400
LT& T	2,646,400	1,177,850
RMI	1,654,000	728,000
Attachment Fees	2,481,000	361,500
Registration Fees	200,000	-
Examination Fees	1,550,930	1,047,350
<b>Total Rendering of Services</b>	<b>23,600,270</b>	<b>11,392,570</b>

Note: Actual amount received from fees collection is Ksh 11,443,027.

**8.Sale of Goods**

Description	June 2023	June 2022
	kshs	kshs
Sale of books		
Catering/Production Units	385,356	-
Sale of farm produce	12,600	12,600
<b>Total Sale of goods</b>	<b>397,956</b>	<b>12,600</b>

**9.Rental Revenue from Facilities and Equipment**

Description	2022-2023	2021-2022
	kshs	kshs
Straight-lined operating lease receipts		
Boarding Fees	0	3,600
<b>Total rentals</b>	<b>0</b>	<b>3,600</b>

**10.Use of Goods and Services**

Use of Goods and Services		
Description	June 2023	June 2022
	kshs	kshs
Electricity, Water & Conservancy	946,787	209,390
Tuition	8,041,635	4,497,942
Security	312,000	288,000
Activity	1,627,276	802,810
Bank charges	20,695	25966
LT&T	2,270,450	2,081,502
Attachment	212,798	82,114
Catering	381,614	0
Farm	75,850	15,500
Helb refund	26,400	0
Administration Costs	213,880	577,419
Examination	1,340,330	818,640
Student Union	140,200	170,950
<b>Total goods and services</b>	<b>15,609,915</b>	<b>9,570,233</b>

### 11. Employee Costs

Employee Costs		
Description	June 2023	June 2022
	kshs	kshs
Salaries and wages	4,762,870	3,371,250
Employee related costs-contribution to pensions and medical aids	0	0
Travel,motorcar,accommodation,subsistence and other allowances	0	0
Housing benefits and other allowances	0	0
Overtime payments	0	0
Performance and other bonuses	0	0
Social contributions	572,344	183,720
<b>Total Employees costs</b>	<b>5,335,214</b>	<b>3,554,970</b>

### 12. Remuneration of Directors

Description	2022-2023	2021-2022
	kshs	kshs
Chairman's Honoraria	69,000	81,000
Directors emoluments	550,000	676,000
Other allowances	-	-
Other Board/Council Expenses	0	0
<b>Total director emoluments</b>	<b>619,000</b>	<b>757,000</b>

### 13. Depreciation and Amortization Expense

Description	June 2023	June 2022
	kshs	kshs
Property, plant and equipment	4,543,516	4,301,021
Intangible assets	154,500	-
Investment property carried at cost		
<b>Total depreciation and amortization</b>	<b>4,698,016</b>	<b>4,301,021</b>

**14.Repairs and Maintenance**

Description	2021-2022	2020-2021
	kshs	kshs
RMI	319,506	104,655
<b>Total Repairs and Maintenance</b>	<b>319,506</b>	<b>104,655</b>

**15.(a)Cash and Cash Equivalents**

Description	June 2023	June 2022
	kshs	kshs
Current account	2,653,008	975,495
Cash in hand	18,000	38,999
Mpesa		
Fixed deposits account		
Staff car loan/ mortgage		
Others(specify)		
<b>Total cash and cash equivalents</b>	<b>2,671,008</b>	<b>1,014,494</b>

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

		2022-2023	2021-2022
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1281480851	2,653,008	975,495
<b>b) Others(specify)</b>			
Cash in transit		-	-
cash in hand		18,000	38,999
Mobile Money account		-	-
<b>Sub- total</b>			
<b>Grand total</b>		<b>2,671,008</b>	<b>1,014,494</b>

16(a) Receivables from exchange transactions

Description	June 2023	June 2022
	kshs	kshs
Current receivables		
Student debtors accrued in the year 2021/2022	233,120	-
Student debtors in the year 2022/2023 only	22,371,047	11,384,172
Staff debtors	-	
Consultancy debtors		
Other exchange debtors		
Less: impairment allowance		
<b>Total current receivables</b>	<b>22,604,167</b>	<b>11,384,172</b>

16. b) Ageing Analysis from Exchange Transactions.

Description	2022-2023		2021-2022	
	Current FY	% of the total	Comparative FY	% of the total
Current receivables				
Less than 1 year	22,371,047	98.97		
Between 1-2 years	221,820	0.98		
Between 2-3 years	11,300	0.05		
Over 3 years	0	0		
<b>Total current receivables</b>	<b>22,604,167</b>	<b>100</b>		

17.Receivables from Non-Exchange Transactions

Description	2022-2023	2021-2022
	kshs	kshs
Current receivables		
Transfers from other govt. entities	0	-
Undisbursed donor funds	-	-
Other debtors (non-exchange transactions)	-	-
Less: impairment allowance	-	-
<b>Total current receivables</b>	<b>0</b>	<b>-</b>

**18. Inventories**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>kshs</b>	<b>kshs</b>
Consumable stores	112,560	165,000
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning materials stores	-	-
Catering stores	-	-
<b>Total Inventories</b>	<b>112,560</b>	<b>165,000</b>

Sirisia Technical and Vocational College.  
Annual Report and Financial Statements for the year ended 30 June 2023.

Notes to The Financial Statements (Continued)  
19. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	library books	Plant and equipment	Capital Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
1ST JULY 2022	5,600,000	55,911,022	0	2,682,400	1,727,500	0	18,173,800	0	84,094,722
Additions				710,000	461,280		0	0	1,171,280
Disposals									0
Transfers/adjustments									0
AT 30TH JUNE 2023	5,600,000	55,911,022	0	3,392,400	2,188,780	0	18,173,800	0	85,266,002
Depreciation and impairment									0
At 1ST JULY 2022	0	1,677,331	0	499,638	808,669	0	3,407,588	0	6,393,225
Depreciation	0	1,118,220	0	424,050	729,520	0	2,271,725	0	4,543,516
Disposals	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0	0	0	0	0
AT 30TH JUNE 2023	0	2,795,551	0	923,688	1,538,189	0	5,679,313	0	10,936,742
Net book values									0
AT 30TH JUNE 2023	5,600,000	53,115,471	0	2,468,712	650,591	0	12,494,487	0	74,329,260
30TH JUNE 2022	5,600,000	54,233,691	0	2,182,762	918,831	0	14,766,212	0	77,701,497

Notes to The Financial Statements (Continued)

20.(a) Trade and Other Payables from Exchange Transactions

Description	2022-2023	2021-2022
	kshs	kshs
Trade payables	3,209,446	1,140,455
Fees paid in advance	0	0
Other payables	0	0
<b>Total trade and other payables</b>	<b>3,209,446</b>	<b>1,140,455</b>

20.(b) Ageing Analysis of Trade and other payables.

Ageing analysis	2022-2023		2021-2022	
	Current FY ksh.	% of the total	Comparative FY ksh.	% of the total
Under one year	2,068,991	64.47	-	-
1-2 years	1,140,455	35.53	-	-
2-3 years	0	0	-	-
Over 3 years	0	0	-	-
<b>Total trade and other payables</b>	<b>3,209,446</b>	<b>100</b>	<b>-</b>	<b>-</b>

21.a) Payments Received in Advance.

Description	2022-2023	2021-2022
	kshs	kshs
Student Fees	1,392,166	623,400
Others		
<b>Total Deposits</b>	<b>1,392,166</b>	<b>623,400</b>

22.(b) Ageing Analysis of Payments Received in Advance.

Ageing Analysis	2022-2023		2021-2022	
	Current FY KSH	% of the total	Comparative FY KSH	% Of the total
Under one year	1,392,166	100	623,400	
1-2 Years	0	0		
2-3 Years	0	0		
Over 3 Years	0	0		
	<b>1,392,166</b>	<b>100</b>	<b>623,400</b>	

23.Intangible Assets Software

Description	2022-2023 kshs	2021-2022 kshs
<b>Cost</b>		
At beginning of the year	618,000	
Additions	0	0
<b>Cost end of the year</b>	<b>618,000</b>	<b>0</b>
<b>Amortization and impairment</b>		
At beginning of the year	-	
Amortization	154,500	0
<b>Amortization at end of the year</b>	<b>154,500</b>	<b>0</b>
Less :Impairment loss		
<b>At end of the year</b>	<b>-</b>	<b>-</b>
<b>NBV</b>	<b>463,500</b>	<b>0</b>

## 19 Financial Risk Management

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

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

### (i) Credit risk

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

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

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2022</b>				
Receivables from exchange transactions	11,384,172	4,720,650	0	0
Receivables from non-exchange transactions	0	1,895,000	0	0
Bank balances	1,014,494	1,732,589	0	0
<b>Total</b>	<b>12,398,666</b>	<b>8,348,239</b>	<b>0</b>	<b>0</b>
<b>At 30 June 2023</b>				
Receivables from exchange transactions	22,371,047	11,384,172	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	2,671,008	1,014,494	0	0
<b>Total</b>	<b>25,042,055</b>	<b>12,398,666</b>	<b>0</b>	<b>0</b>

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 entity has significant concentration of credit risk on amounts due from Sirisia Technical and Vocational College

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.

**(iii) Market risk**

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.

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 carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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.

#### **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.

##### **a) Interest rate risk**

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

##### **Management of interest rate risk**

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

##### **Sensitivity analysis**

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Notes to The Financial Statements (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:

	2022-2023	2021-2022
	Kshs	Kshs
Revaluation reserve	0	0
Retained earnings	11,867,161	4,789,586
Capital reserve	83,711,722	83,711,722
	0	
<b>Total funds</b>	<b>95,578,883</b>	<b>88,160,182</b>
Total borrowings	0	0
Less: cash and bank balances	- 2,671,008	1,014,494
Net debt/(excess cash and cash equivalents)	1,014,494	1,732,589
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

24. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the 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 directors;

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

**25. Capital Commitments**

<b>Capital commitments</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Authorised for	-	-
Authorised and contracted for	55,911,022	-
<b>Total</b>	<b>55,911,022</b>	<b>-</b>

**26. Events After the Reporting Period**

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

**27. Ultimate and Holding Entity**

The Sirisia Technical College is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**28. Currency**

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

## Appendix 1: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Lack of ownership documents	In the process of acquiring land title deed.	Not Resolved	30 September 2026
2.	Inaccurate Statement of Changes in Net Assets	The FS was revised	Resolved	
3.	Long Outstanding Accounts Payable	A proposal for payment was made to Kisiwa TTI and counter proposal received. The payment has been initiated.	Resolved	
4.	Lack of Risk Management Policy	A risk management policy has been formulated awaiting approval by the Board	Resolved	
5.	Lack of Disaster Recovery and Service Continuity Plan	We have established an MIS system for cloud storage of our data which is up and running.	Resolved	
6.	Lack of internal audit function and audit committee	A request for internal audit function from Sang'alo was made and confirmed for engagement as per the attached letter	Resolved	

**Sirisia Technical and Vocational College.**  
**Annual Report and Financial Statements for the year ended 30 June 2023.**

---

**Guidance Notes:**

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

**Accounting Officer**

**Name:** Clara A Timothy

**Principal/Bog Secretary.**

**Signature**.....*Clara A Timothy*

**Date**.....*13/12/2024*



## Appendix II: Projects Implemented by The Entity

### Projects

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

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

**Note:** The institution did not have any projects funded by development partners  
**Status of Projects completion**

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

## Appendix III: Inter-Entity Transfers

MINISTRY OF EDUCATION  
STATE DEPARTMENT OF VOCATIONAL & TECHNICAL TRAINING  
SIRISIA TECHNICAL & VOCATIONAL COLLEGE



Technology for better life  
P. O. BOX 77-50208 SIRISIA (KENYA)  
Cell Phone: 0722-881543  
Email: sirisiavocational@gmail.com  
www.sirisiatvc.ac.ke



Confirmation of amounts received by Sirisia Technical and Vocational College as at 30<sup>th</sup> June 2023.

Reference Number	Amounts disbursed by [SC/SAGA/Fund] (ksh) as at 30 <sup>th</sup> June 2023.						
	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received (Ksh)As at 30th June 2023 (E)	Differences (F)=(D-E)
DTE/CAP 9/31(54)	06/06/2022	500,000	0	0	500,000	500,000	0
DTE/CAP 9/32(54)	01/07/2022	500,000	0	0	500,000	500,000	0
DTE/CAP/ 9/36(138)	21/10/2022	500,000	0	0	500,000	500,000	0
MOE/DTE/C AP 9/35(98)	21/10/2022	3,375,000	0	0	3,375,000	1,545,000	1,830,000
DTE/CAP 9/36(38)	30/01/2023	6,202,500	0	0	6,202,500	3,308,000	2,894,500
DTE/CAP 9/36(138)	04/07/2023	6,202,500	0	0	6,202,500	3,308,000	2,894,500
	<b>Total</b>	<b>17,280,000</b>	<b>0</b>	<b>0</b>	<b>17,280,000</b>	<b>9,661,000</b>	<b>7,619,000</b>

The above amounts have been communicated to and reconciled with the parent Ministry

**Head of Accountants Department**

Annah Wanyama

Sign.....

Date..13-12-24