

REPUBLIC OF KENYA



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REPORT

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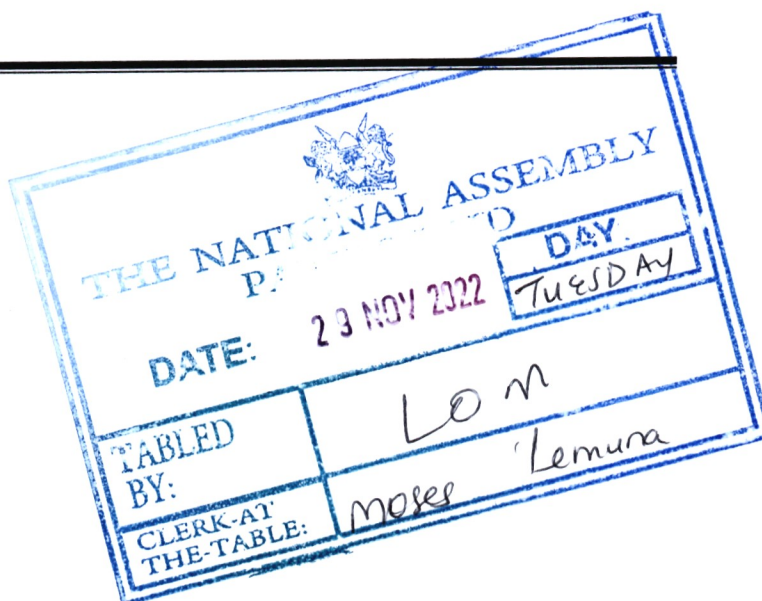
**EMSOS TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2021**



OFFICE OF THE AUDITOR GENERAL
NORTH RIFT REGIONAL OFFICE
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EMSOS TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2021



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

**EMSOS TECHNICAL AND VOCATIONAL COLLEGE
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2021**

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I. KEY EMSOS TECHNICAL AND VOCATIONAL COLLEGE INFORMATION AND MANAGEMENT

(a) Background information

Emsos Technical & Vocational College (ETVC) is one of the sixty (60) technical colleges. It opened its gates for admission of students in September 2018, with a batch of thirty-two students (32). It is located in Chesumei Sub-County, 10 kilometres from Mosoriot trading centre along Mosoriot –Kabiyet- Kaiboi road. It is situated in scenic rural road setting in the heart of Nandi county renown for dairy and crop farming.

ETVC is a public government sponsored Technical and Vocational Education and Training (TVET) Institution offering Artisan, Craft Certificate and Diploma courses in Technical and Business fields. Our mandate as a TVET Institution is to enable learners acquires valuable hands on skills, experience and knowledge which are key components for specialized labour market. We built successful careers and take pride in being part of Sustained Development Goals (SDGs) in Kenya through the Big Four Agenda and Vision 2030 blue print

ETVC is a centre of excellence in Value Addition in Agriculture with state of art equipment. The Institution is ear marked for processing of raw agricultural products such as milk, meat and fruits into finished products like Ultra- High Temperature (UHT), milk, yoghurt etc

The specialized courses offered at ETVC are facilitated through six course departments providing KNEC accredited examinations and gradually transiting to CBET-CDDAC

(b) Principal Activities

Vision Statement

To be a centre of excellence in Technical Training and value addition Agriculture

Mission Statement

To provide quality and sustainable technical training to meet the dynamic needs of industrialisation and society needs through innovation and competent training.

Mandate

To offer technical training

To provide and promote life-long learning.

(c) Key Management

The Emsos Technical and Vocational College's day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/Principal
- Top management
- Heads of Departments/Heads of Sections

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mrs.Sawe Getrude
2.	Deputy principal Finance	Mr.Ketter Cyprian
3	Deputy principal Academics	Mr. Too Lordvico
4	Registrar	Mr.Kimutai Emmanuel
5	Dean of students	Ms.Cheptoo Ruth
6	Head of Finance	Ms.Kisang Judith
7	Head of Procurement	Mr. Limo Daniel

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(e) Fiduciary Oversight Arrangements

- The board committees facilitate the decision –making process to assist the board in the execution of its duties, power and authority.
- Board committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the board.

AUDIT AND RISK COMMITTEE

S/NO	NAME	TITLE
1	DR.MANGIRA ROSELYNE	CHAIRMAN
2	MRS.MUTAI ALICE	MEMBER
3	MRS.SAWE GETRUDE	MEMBER

MANDATE

Responsibilities of the audit committee typically include:

- Overseeing the financial reporting and disclosure process.
- Monitoring choice of accounting policies and principles.
- Overseeing hiring, performance and independence of the external auditors.
- Oversight of regulatory compliance and ethics.
- Monitoring the internal control process.
- Overseeing the performance of the internal audit function.
- Discussing risk management policies and practices with management.

FINANCE AND GENERAL PURPOSE COMMITTEE

S/NO	NAME	TITLE
1	MR.TUM ELIAZER	CHAIR PERSON
2	DR.ELIJAH SAJI	MEMBER
3	MR.WAFULA FREDRICK	MEMBER
4	MRS.PERIS.KOECH	MEMBER
5	MRS.SAWE GETRUDE	MEMBER

MANDATE

The role of finance and general purpose committee is to advise the board:

- on better financial practices;
- cost reduction,
- monitor production unit,
- to carry the financial function as well as the human resource function and
- Submit a draft budget to the full board for adoption and approval.

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(f) Emsos Technical and Vocational College Headquarters

Emsos Technical and Vocational College Headquarters

P.O BOX 300-30100

Kapsabet Road-Off Mosoriot –Emsos road

ELDORET, KENYA

(g) Emsos Technical and Vocational College Contacts

Telephone: (254)0796376783

E-Mail: info@emsostvc.ac.ke

Website: www.emsostvc.ac.ke

(h) Emsos Technical and Vocational College Bankers

Kenya Commercial Bank

Eldoret East Branch

A/C NO:

➤ 1159400792

➤ 1252707681

(i) Independent Auditors

Auditor General

Office of Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200


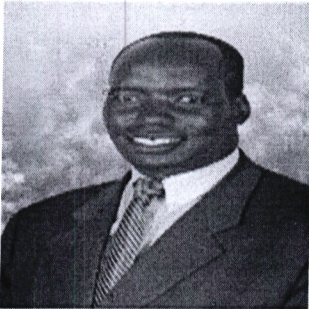

Nairobi, Kenya

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2021**



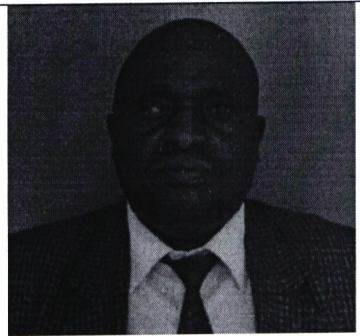
II. THE COUNCIL/BOARD OF GOVERNORS

No.	Member/ Director	Details
1.	<p>PERIS KOECH BOARD CHAIRMAN</p> 	<p>Currently the branch manager Kenya seed Narok branch. She holds a Bachelor of Science in Agricultural Economics from Egerton University, pursuing a Master's Degree in Agricultural Resource Economics and Management. She previously worked as a Food Security Manager, at Solidarities Kenya Attended a Gender mainstreaming course in Arusha Tanzania among other courses, workshops and seminars She has instrumental understanding in Public and Private sector operations /skills which are all transferable and applicable to other sectors.</p>
2.	 <p>MRS. SAWE GETRUDE-PRINCIPAL/BOG SECRETARY</p>	<p>Mrs.Sawe Gertrude, was born 1964. She holds a bachelors degree in Education (science) from Kampala International University, Diploma in Agriculture and Home-Economics from Egerton University. Currently pursuing a Masters degree in counselling psychology at Egerton University. On upward mobility she gradually graduated from being a course tutor in 2008, Deputy Head of department 2009-2010, Head of department 2010-2018, Deputy Principal in charge of Academic 2018 then current rank as Principal Emsos Technical and vocational college. She has attended several workshops on leadership. She is the secretary to the board Emsos Technical and Vocational college</p>

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3.	 <p>DR. ELIJAH OMUTANGE</p>	<p>Born in 1969. Holds a Doctor of philosophy in Environmental Earth sciences in Moi University, masters of philosophy in education, Moi University, Bachelors of education, Moi University. Currently works as a senior lecturer head of department, Technology education in Moi University. He participated in curriculum review in Moi University. He was appointed as the member of board Emsos Technical and vocational college October 2018</p>
4.	 <p>MR. TUM ELIAZER-CHAIRPERSON FINANCE AND GENERAL PURPOSE COMMITTEE</p>	<p>Currently works as County Budget Coordinator Bomet County. Born in the year 1965, Holds masters of Arts in Economics, Bachelor of Business Administration and Post Graduate Diploma in financial management. He has attended various workshops and seminars. He previously worked with multimedia university college as a senior financial accountant, Agro-chemical and food company as head of internal audit, Moi Teaching and referral Hospital as Head of Audit, risk and compliance /Audit committee. He was appointed as the member of Board in Emsos Technical and Vocational College in October 2018</p>
5.	 <p>DR. MANGIRA ROSELYNE-CHAIRMAN AUDIT AND RISK COMMITTEE</p>	<p>Currently she is the Librarian in Jomo Kenyatta university of Agriculture and Technology (JKUAT). She holds Doctor of Philosophy in Library and Information Studies and Masters of philosophy in Library and Information Studies. She has published several articles in information related field in peer reviewed journals both in print and electronically. She has been involved in developing and reviewing several university teaching programmes among them is Information Literacy and curriculum that has recently been approved by the University counsel. She was appointed member to the board of Emsos</p>

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		Technical and vocational college October 2018
6.	 MR. WANJALA FREDRICK	He is currently an Agribusiness officer /land development officer at Nandi North District. He was a farm manager in Irrigation Scheme Isiolo District under the ministry of Agriculture. He was a district crops manager in Isiolo District. He was appointed Member to the Emsos Technical and Vocational college October 2018
7.	 ENG. ALICE MUTAI	Currently she is the registrar of Kenya Engineering Technology Registration Board. She holds a masters of Science in Engineering System Management. She is also an assistant registrar Technical University of Kenya. She was a lecturer at Rift Valley Institute of Science and Technology. She was also a dean of academic affairs in Rift Valley Institute of Science and Technology. She was a deputy principal at Rift Valley Institute of Science and Technology
8.	 Mr. Geoffrey Gichuru Mutulili Master's in Business Administration (Management Information Systems) and B.Ed. (Arts)	Mr. Gichuru Mutulili was born on 3 rd Sept. 1966; he is the current TVET County Director Uasin-Gishu, Nandi and Elgeyo-Marakwet counties. He is the Ministry's representative in the Board and provide advice and guidelines on Ministry's strategic goals, mandate and policy direction. HE holds Master's in Business Administration (Management Information Systems) and B.Ed. (Arts) Mathematics & Business Studies. Further, has wealth of experience in public service particularly in Educational management particularly ISQ Training, Performance management, project management, financial management, procurement management and monitoring and evaluation of programmes and projects having served as a teacher, education officer in various positions and Counties. He is a member of Education and training Committee

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III. MANAGEMENT TEAM

No.	Management team	ACADEMIC QUALIFICATION	Details
1.	 MRS.SAWE GETRUDE	-BED (Science) -Senior management course -Diploma in agriculture and Home economics	-Chief Executive Officer/ Principal -Secretary BOG - Accounting Officer
2.	 MR. KETTER CYPRIAN	-MBA -BED(Comm skills)	-D/Principal Admin
3.	 MR.TOO LORDVICO	-B.ENG (electrical and Electronic Engineering)	-Ag. D/P academics and finance - Head of Academic Matters -Chairperson of Academic Committee -Chairperson Disciplinary Committee -Human Resource Function
4.	 MS.KISANG JUDITH	-BCOM (finance option) (ongoing) -CPA-K	-Ag. Accountant -Financial Management -Budgeting and Control -Financial Reporting

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5.	 MR.LIMO DANIEL	-Diploma in Supply Chain -Registered KISM	Ag. Procurement -Advisor in Procurement Matters
6.	 MR.KIMUTAI EMMANUEL	-BED (Technology Education)	-Ag. Registrar -Examination
7.	 MS.JEPTOO RUTH	-Diploma in General Agriculture -Diploma in Technical training	Ag. Dean of students



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IV. CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

It's my pleasure to present Emsos Technical and Vocational College Annual Financial Statement for the year ended 30th June 2021.

Emsos Technical and vocational college, BOG notes with appreciation the continued support of the Kenyan government and other stakeholders in the daily running of the institution.

The year will be remembered for the Covid 19 pandemic that swept across the globe, causing unprecedented educational crisis, and closure of all learning institutions in the country, for a period of time.

Despite this uniquely challenging environment, Emsos Technical and vocational college managed to realize key achievements, through increased gross enrolment of student from 104 to 163 in financial year 2020/2021 compared to 2019/2020, in addition, for the first time the institution offered KNEC practical exam at the institution, through the support of BOG, staff and the County Government of Nandi.

The pass rate of students has also improved from 67% to 77 % during the financial year. This has been achieved through the cooperation of staff and trainees of Emsos Technical and vocational college that created a conducive environment for study. The government and the other stakeholders played a great role in provision of resources and capacity enhancement of various teaching staff through refresher courses for effective and efficient management of the institution; however, the institution still faces serious gaps in both teaching and non-teaching staff.

During the year under review the college continued working on various programs among them the development of physical plan and marketing of the institution.

We are pleased with the achievements so far realized, despite the financial challenges more so, the delayed disbursement of funds from government of Kenya.

Allow me to thank the Government of Kenya, Staff; Parents, Guardians, MP Chesumei constituency, Student Council, Trainees, other stakeholders and ours service providers for their continuous support during the year and looking forward for a better 2021/2022.

SIGNATURE  DATE 18/07/2022

PERIS KOECH
CHAIRMAN, BOARD OF GOVERNORS

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V. REPORT OF THE PRINCIPAL

I hereby present to you Emsos Technical and Vocational College financial report for the financial year 2020/2021. During the year under review the college was able to develop a master plan in readiness for infrastructural development. We also managed to increase student enrolment through intensive marketing in collaboration with CDF office by visiting each and every ward in Chesumei sub-county.

During the year under review we also managed to sit for KNEC practical exams within our premise exclusively unlike the previous year where we have been going to neighbouring institutions for the same, this enhanced our performance.

The institution managed to conduct student leaders' elections and also had an induction for the student leadership body.

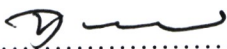
During the opening of College amidst covid 19, the college managed to raise two water tanks to serve the 11 hand washing points. We were privileged to host the Principal Secretary State Department of Technical and Vocational College who came for inspection in preparation for re-opening.

With Covid 19 pandemic the college was faced with various challenges which include and not limited to: low turn up of students after the covid 19 long break, change of academic calendar, unplanned expenditure in setting up the Covid 19 protocols, insufficient infrastructure to meet the covid 19 Protocols.

There was also trainers' turnover as a result of poor enumeration, which emanated from low funding and delayed disbursement which incapacitates the board from paying minimum government requirements.

During the year under review, the college received Ksh. 8,022,097 from the following sources Students' fees (A in A) ksh. 2,570,597 and Ksh. 5,451,500 from GOK capitation grants and Operational grants.

I therefore wish to extend my appreciation to students for exhibiting good behaviour and discipline. I also appreciate the Board of Governors for providing the strategic leadership as well as staff for their commitment to providing service. In conclusion I wish to thank all stake holders for their support during the period.

SIGNATURE  DATE 18.07.2022

MRS.SAWE GETRUDE
PRINCIPAL/ACCOUNTING OFFICER

VI. CORPORATE GOVERNANCE STATEMENT

Emsos Technical and vocational college is under the category of Technical and Vocational Colleges to offer programmes up to Diploma level, in accordance with the TVET Act No. 29 of 2013. The institute is governed by the Board of Governors (BOG). The membership of the BOG comprises the Chairperson, representative of the Principal Secretary, State Department of Vocational and Technical Training, Ministry of Education, representative of the Governor of Nandi within which the institute is located, six other persons appointed on the basis of their knowledge and experience in leadership and management, financial management, technology, industry, engineering and Information Communication Technology. The Principal/Accounting Officer/Executive officer being the secretary to the BOG.

Appointment of Board

The appointment of a member to the BOG may be revoked if the member resigns, becomes insolvent, imprisoned for a term of six months or more, incapacitated by physical or mental illness, absent from three consecutive meetings of the board without leave, inability to discharge his/her function or appointment revoked by the appointing authority.

The BOG meets at least once every four months. Quorum for the conduct of business at a meeting of the BOG is two-thirds of the total number of members of the Board

The Chairman and Members of the Board were appointed by the Cabinet Secretary of Education on 5th October 2018 for a 3-year term ending 5th October 2021.

Corporate Governance Statement

The members of the board have committed themselves to the service of Emsos technical and vocational college and to hold the tenets of good corporate governance by being innovative, transparent, accountable, persons of integrity, socially responsive, as well as promote excellence and exercise fairness in all their dealings.

The Board

The board consists of nine (9) members inclusive of the principal as the secretary. The membership is as follows:

S/No	Name	Title
1	Peris Koech	Chairman
2	Getrude Sawe	Principal/BoG secretary
3	Mutilili Gicheru	Member- TVET Director
4	Elijah Omutange	Member
5	Eliazer Tum	Member
6	Roselyne Mangira	Member
7	Fredrick Wanjala	Member
8	Alice Mutai	Member
9	Scholastica Tuwei	Member

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Board Responsibilities

The College Board undertakes the following responsibilities:

1. The board is the governing body of the college through which the college acts and undertakes the following:
 - a. Administers the property and funds of the college in a manner and for the purpose which promotes the interest of the college, but the board does not charge or dispose of immovable property of the college except in accordance with the procedures laid down by the government of Kenya.
 - b. Receives on behalf of the college donations, gifts, grants or other moneys and make disbursement there from the college or other bodies or persons.
 - c. Provides for the welfare of the staff and students on the college.
 - d. May enter into association with other colleges, training colleges or other institutions of learning within Kenya.
 - e. May, after consultation with academic committee make regulations governing the conduct discipline of the student of the college
2. All documents, other than those required by law to be under seal, made on behalf of the board and all the decisions of the board may be signed under the hand of the chairman, principal or other members of the board generally or specifically authorised by the board on that behalf.
3. Ensure that proper management structure is in a place and that the structure functions to maintain corporate integrity, reputation and responsibility.
4. Monitors and evaluate the implementations of strategies, policies and management criteria plans of the college.
5. Constantly review the viability and financial sustainability of the college and does so once every year.
6. Ensures that the college comply with all the relevant laws, regulations, governance practice accounting and auditing standards.

VII. MANAGEMENT DISCUSSION AND ANALYSIS

During Financial year 2020/2021 the college operation was affected by the covid 19 pandemic that learning activities were interrupted by the closure of the college,

- ✓ Term dates were affected
- ✓ External exams dates were affected
- ✓ Core curriculum activities were affected
- ✓ Online learning training was initiated
- ✓ The situation was worsening when the students' enrollment went down than expected where a number never turned up for the learning on reopening
- ✓ The collection of fees was not achieved, therefore affecting finance performance
- ✓ Delayed disbursement of capitation

Emsos Technical and Vocational College undertook the following projects to mitigate the covid-19 pandemic;

- ✓ Purchase of three tents
- ✓ Provision of signages on Covid 19 protocols
- ✓ Provision of hand washing points and sanitization points

VIII. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Emsos Technical and Vocational College exists to transform lives as stated in our motto “technology for transformation”. 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.

1. Sustainability strategy and profile

The Board of Governors intends to undertake other income generating activities such as farming in order to generate more income and also put in place strategies to minimize the costs of college operations.

2. Environmental performance

During the year under review, the College in collaboration with the office of Kenya forestry organised a successful tree planting activity along the college fence. The aim was to educate the community on importance of environmental conservation

3. Employee welfare

The institution has set up staff welfare to be able to support staff members and also by monthly payments of staff NHIF deductions to the relevant body. The college also intends to carry out occupational health and safety Audit of college workplace to ensure staff safety in workplace.

4. Market place practices

The college always meets its financial obligations on time by timely payment of suppliers and honouring contracts, practicing good competitions in terms of marketing of college programmes with its competitors

5. Corporate Social Responsibility / Community Engagements

We sensitized the community on covid 19 protocols.

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IX. REPORT OF THE COUNCIL/BOARD OF GOVERNORS

The Board members submit their reports for the year ended June 30, 2021 which show the state of the college affairs.

Principal activities

The principal activities of the Emsos Technical and Vocational College are:

- i. To provide Technical and vocational training to citizens of Kenya
- ii. . To contribute to industrial and technological development through innovations and technology transfer
- iii. . Collaborate with Curriculum developers, industry and other players to provide training in competency based education(CBET)
- iv. To foster general welfare of staff and students

EMSOS TECHNICAL AND VOCATIONAL COLLEGE

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BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page vi-viii

Auditors

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

Principal/BOG Secretary

ELDORET

Date: 18/07/2022

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2021**

X. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

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

The council members are responsible for the preparation and presentation of Emsos Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of Emsos Technical and Vocational College for and as at the end of the financial year ended on June 30, 2021. 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 Emsos Technical and Vocational College;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of Emsos Technical and Vocational College;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for Emsos Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The council members are of the opinion that Emsos Technical and Vocational College financial statements give a true and fair view of the state of transactions during the financial year ended June 30th, 2021, and of Emsos Technical and Vocational College financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the Emsos Technical and Vocational College, which have been relied upon in the preparation of Emsos Technical and Vocational College financial statements as well as the adequacy of the systems of internal financial control.

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

**EMSOS TECHNICAL AND VOCATIONAL COLLEGE
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Approval of the financial statements

The Emsos Technical and Vocational College's financial statements were approved by the Board on _____ and signed on its behalf by:

Name..... PERIS KOECH

Signature..... [Signature]

Chairperson of the Board/Council

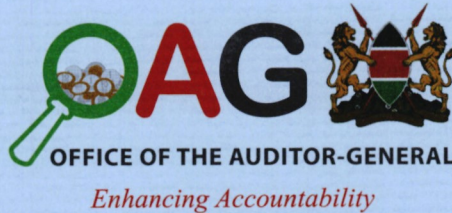
Name..... GETRUDE SAWE

Signature..... [Signature]

Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON EMSOS TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Emsos Technical and Vocational College set out on pages 2 to 50, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Emsos Technical and Vocational College as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

Ownership and Valuation of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.161,245,755 as disclosed in Note 31 to the financial statements. However, as previously reported, the balance was not supported by assets register, title deeds for land, valuation reports, completion certificates or supplier invoices for the items of property, plant and equipment. In addition, the balance of Kshs.161,245,755 includes the value of land of Kshs.4,000,000 which is a decrease of Kshs.2,000,000 from the balance of Kshs.6,000,000 reported in 2019/2020 financial year. The decrease of Kshs.2,000,000 was not supported by an approval for disposal.

In the circumstances, the accuracy, completeness and existence of property, plant and equipment balance of Kshs.161,245,755 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under report on the financial statements. However, the Management has not resolved the issues or given any

explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury and Planning Circular reference No. AG.4/16/2 Vol.3(72) dated 30 June, 2021.

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 matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Observe One Third Rule in Staff Establishment and Recruitment

Review of the payroll for the month of June, 2021, revealed that Emsos Technical and Vocational College had a staff establishment of thirty-five (35) employees, out of which thirty-two (32) or 91% of the total number were members of the same dominant ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and no public office shall have more than one third of its staff from the same ethnic community.

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

2. Employees in Acting Positions

It was observed that five (5) members of staff of the College have been appointed in acting capacity for periods exceeding six (6) months. This is contrary to Section 34 of the Public Service Commission Act, 2017 which states that government officers cannot serve in an acting position for more than six (6) months and the shortest period one can serve in an acting position is thirty days.

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

3. Payment of Salaries Below Minimum Wage

A review of the staff payroll revealed that fourteen (14) members of staff were paid basic salaries below the basic minimum monthly wages as previously reported, contrary to the first schedule of the Regulation of Wages (General) (Amendment) Order, 2018 which provides that basic minimum monthly wages (Exclusive of Housing Allowance) is Kshs.13,573.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Department

During the year under review, Emsos Technical and Vocational College did not have a functional internal audit department. In the circumstances the management lacked complete and objective insight into the effectiveness of their risk management, internal control and governance processes as well as their evaluation and improvement thereof.

2. Lack of Risk Management Policy

During the year under review, the Management of Emsos Technical and Vocational College did not have in place a risk management policy, risk management strategies and a system of risk management to enable them to develop appropriate risk strategies in order to improve on effective and efficient management of public resources. In addition, the Management has not instituted policies and procedures to guide key financial processes and controls for the management such as human resource policies and procedures, code of conduct, organization structure, revenue policy and debtor's policies.

In the circumstances, the Management is not in a position to respond appropriately to the risks that the Institute is exposed to.

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

Responsibilities of Management and the Board of Governors

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

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit

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


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 August, 2022

**EMSOS TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2021**

**XII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE
2021**

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government—grants/ gifts in kind	6	5,451,500	5,120,000
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
		5,451,500	5,120,000
Revenue from exchange transactions			
Rendering of services- Fees from students	10	2,570,597	3,756,532
Sale of goods	11	-	-
Rental revenue from facilities sand equipment	12	-	-
Finance income-external investments	13	-	-
Other income	14	-	-
Revenue from exchange transactions		2,570,597	3,756,532
Total revenue		8,022,097	8,876,532
Expenses			
Use of goods and services	15	7,496,473	3,076,058
Employee costs	16	1,426,200	1,142,294
Remuneration of directors	17	578,408	488,880
Depreciation and amortization expense	18	1,994,827	0
Repairs and maintenance	19	24,100	151,050
Contracted services	20	-	-
Grants and subsidies	21	-	-
Finance costs	22	-	-
Total expenses		11,520,008	4,858,282
Other gains /(losses)			
Gain on sale of assets	23		
Unrealized gain on fair value of investments	24		
Impairment loss	25		
Total other gains/(losses)			
Net Surplus for the year		(3,497,911)	4,010,825
Attributable to:			
Surplus/(deficit)attributable to minority interest			
Surplus attributable to owners of the controlling Emsos Technical and Vocational college			

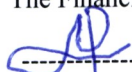
The notes set out on pages 20 to 24 form an integral part of the Annual Financial Statements.

**EMSOS TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE
2021**

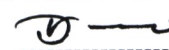
XIII. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2021

	Notes	2020-2021 Kshs	2019-2020 Kshs
Assets			
Current assets			
Cash and cash equivalents	26	1,242,143	2,745,227
Current portion of receivables from exchange transactions	27(a)	580,938	1,560,000
Receivables from non-exchange transactions	28	1,239,000	780,000
Inventories	29	-	-
Investments	30	-	-
		3,062,081	5,085,227
Non-current assets			
Property ,plant and equipment	31	161,245,755	163,240,582
Investments	30	-	-
Intangible assets	32	-	-
Investment property	33	-	-
Long term receivables from exchange transactions	27(b)	-	-
		161,245,755	163,240,582
Total assets		164,307,836	168,325,809
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	34	2,028,330	1,068,750
Refundable deposits from customers	35	13,100	0
Current Provisions	36	-	-
Finance lease obligation	37	-	-
Employee benefit obligation	39	-	-
Payments received in advance			
		2,041,430	1,068,750
Non-current liabilities			
Non-current employee benefit obligation	39	-	-
Non-current provisions	40	-	-
Deferred tax liabilities	49	-	-
Total liabilities		2,041,430	1,068,750
Net assets			
Reserves			
Accumulated surplus		3,062,081	4,016,477
Capital Fund		161,245,755	163,240,582
Total net assets and liabilities		164,307,836	168,325,809

The Financial Statements set out on pages 24 To 33 were signed on behalf of the Institute Council/ Board of Governors by:



Assoc 3183



Chairman of Council/Board of Governors

Finance Officer
ICPAK No

Principal

Date *18/07/2022*

Date *18/07/2022*

Date *18.07.2022*

**EMSOS TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021**

XIV. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2021

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
Bal b/f as at July 1,2019			2,549,742	163,240,582	165,790,324
Revaluation gain			0		
Fair value adjustment on quoted investments			0		
Total comprehensive income			4,010,250		4,010,250
Capital/Development grants received during the year			0		
Transfer of depreciation/amortisation from capital fund to retained earnings			0		
Bal c/d as June 30th ,2020			6,559,992	163,240,582	169,800,574
Bal b/f as July 1,2020			6,559,992	163,240,582	169,800,574
Revaluation gain					
Fair value adjustment on quoted investments					
Total comprehensive income			(3,497,911)		(3,497,911)
Capital/Development grants received during the year					
Transfer of depreciation/amortisation from capital fund to retained earnings				(1,994,827)	(1,994,827)
At June 30, 2021			3,062,081	161,245,755	164,307,836

**EMSOS TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021**

XV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

		2020-2021	2019-2020
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6a	5,451,500	5,120,000
Public contributions and donations		-	-
Rendering of services- Fees from students	10	2,570,597	2,145,477
Sale of goods		-	-
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Other income		-	-
Total Receipts		8,022,097	7,265,477
Payments			
Compensation of employees	16	1,426,200	1,142,294
Use of goods and services	15	7,496,473	4,144,808
Remuneration of directors	17	578,408	488,880
Repairs and maintenance	19	24,100	151,050
Taxation paid		-	-
Other payments		-	-
Grant and subsidies paid		-	-
Total Payments		9,525,181	5,927,032
Net cash flows from operating activities		-1,503,084	1,333,445
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets			
Proceeds from sale of property, plant and equipment			
Decrease in non-current receivables			
Increase in investments			
Net cash flows used in investing activities			
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings			
Increase in deposits			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		-1,503,084	1,338,445
Cash and cash equivalents at the beginning	26	2,745,227	1,214,671
Cash and cash equivalents at the end	26	1,242,143	2,745,227

**EMOS TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021**

XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Utilization Difference	
	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	%
Revenue												
transfers from other Govt entities	7,405,000		-		7,405,000		5,451,500		1,953,500			26.4
Govt grants	-		-		-		-		-			-
public contributions and donations	5,812,400		-		5,812,400		2,570,597		3,241,803			55.7
ending of services- Fees from students	-		-		-		-		-			-
sale of goods	-		-		-		-		-			-
Finance Income	-		-		-		-		-			-
Other Income	-		-		-		-		-			-
Gains on disposal, rental income and agency fees	-		-		-		-		-			-
total income	13,217,400				13,217,400		8,022,097					
expenses												
compensation of employees	2,177,000		-		2,177,000		1,426,200		750,800			34.48
Use of Goods and services	9,175,400		-		9,175,400		7,496,473		1,678,927			18.3
repairs and maintenance	865,000		-		865,000		24,100		840,900			97.21
rent paid	0		-		-		-		-			-
emumeration of directors	1,000,000		-		1,000,000		578,408		421,592			42.16
grants and subsidies paid	0		-		-		-		-			-
total expenditure	13,217,400		-		13,217,400		9,525,181					
surplus for the period	0				0		(1,503,084)					
Budget notes explanation												
<i>i. It is due to late disbursement</i>												
<i>ii. it's due to covid 19 pandemic that limited face to face learning hence low collection of fees.</i>												
<i>iii. Activities were not as planned due to covid</i>												
<i>iv. minimal activities because of closure</i>												

**EMSOS TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

XVII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Emsos Technical and Vocational College is established by and derives its authority and accountability from TVET Act. The Emsos Technical and Vocational College is wholly owned by the Government of Kenya and is domiciled in Kenya. The Emsos Technical and Vocational college principal activity is to provide Technical and vocational training to the citizens of Kenya.

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 Emsos Technical and Vocational college accounting policies.

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

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

**EMSOS TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalue assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

**EMSOS TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>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 Emsos Technical and Vocational college future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Emsos Technical and Vocational college risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Emsos Technical and Vocational college 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"> (a) The nature of such social benefits provided by the Emsos Technical and Vocational college; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Emsos Technical and Vocational college financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

iii. Early adoption of standards

**EMSOS TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

The Emsos Technical and Vocational College did not early – adopt any new or amended standards in year 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The Emsos Technical and Vocational college recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to 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 Emsos Technical and Vocational college.

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 Emsos Technical and Vocational college right to receive payments is established.

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a) 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 2020/2021 was approved by the Council or Board on 3rd July, 2020. The Emsos Technical and Vocational College's budget is prepared on cash 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 actual as per the statement of financial performance.

c) Taxes

Current income tax

The Emsos Technical and Vocational College is exempt from paying taxes.

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d) 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.

e) 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.

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.

f) Property, plant and equipment

All property, plant and equipment are stated at cost less 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 Emsos Technical and Vocational College recognizes such parts as individual assets with specific useful lives and depreciates them accordingly using the Reducing Balance Depreciation method

The table below shows the depreciation rate:

S.No	Details Depreciation	Rate%
1.	Building	2.5%
2	Motor vehicle	25%
3.	Furniture and fittings	12.5%
4.	Computer and accessories	33.3%
5.	Reference books	25%
6	Property plant and equipment's	12.5%

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Assumptions: The College also received the following assets from the ministry of education the costs are yet to be determined through the Valuation of assets. After the valuation exercise the costs of these assets will be incorporated in the financial statements.

- i. Furniture staff and students' furniture
- ii. 20 Computers and
- iii. 3 laptops
- iv. 2 projectors
- v. Three printers.

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g) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Emsos Technical and Vocational College. 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 Emsos Technical and Vocational College 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 Emsos Technical and Vocational College 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 Emsos Technical and Vocational College. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

h) Intangible assets

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

i) Research and development costs

Emsos Technical and Vocational College expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Emsos Technical and Vocational College can demonstrate:

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

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

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j) 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 Emsos Technical and Vocational College determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

The Emsos Technical and Vocational College assesses at each reporting date whether there is objective evidence that a financial asset or an Emsos Technical and Vocational college of financial assets is impaired. A financial asset of Emsos Technical and Vocational college 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 Emsos Technical and Vocational college of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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- The debtors or Emsos Technical and Vocational college 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 Emsos Technical and Vocational College determines the classification of its financial liabilities at initial recognition.

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

Loans and borrowing

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

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

i) Inventories

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

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

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

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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 Emsos Technical and Vocational College.

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

The Emsos Technical and Vocational College does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Emsos Technical and Vocational College in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

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k) Nature and purpose of reserves

The Entity does not maintain reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

The Emsos Technical and Vocational college recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

m) Employee benefits

Retirement benefit plans

The Emsos Technical and Vocational College provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Emsos Technical and Vocational college pays fixed contributions into a separate Emsos Technical and Vocational college (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.

n) 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.

o) 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.

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p) Related parties

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

q) Service concession arrangements

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

r) 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.

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

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5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

There was no provision made in the year under review

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NOTES TO THE FINANCIAL STATEMENTS

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021	2019-2020
	KShs	KShs
Unconditional grants		
Capitation grants	3,451,500	3,120,000
Operational grant	2,000,000	2,000,000
Other grants		
Conditional grants		
Library grant		
Hostels grant		
Administration block grant		
Laboratory grant		
Learning facilities grant		
Other organizational grants		
Total government grants and subsidies	5,451,500	5,120,000

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Emsos Technical and Vocational college sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2020-2021 KShs
Ministry/State Department	0	0	0	0	0
Ministry	0	0	0	0	0
Total	0	0	00	0	

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7. GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2020-2021	2019-2020
	KShs	KShs
JICA- Research grant		
World Bank grants		
In-kind Donations		
Other grants		
Total grants from development partners		

We did not receive any donor funds during the year under review

Description	2020-2021	2019-2020
	KShs	KShs
Balance unspent at beginning of year		
Current year receipts		
Conditions met - transferred to revenue		
Conditions to be met - remain liabilities		

We did not receive any income from donors or development partners during the year 2020/2021

8. TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2020-2021	2019-2020
	KShs	KShs
Transfer from County	0	0
Transfer from University	0	0
Transfer from institute	0	0
Total Transfers	0	0

9. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2020-2021	2019-2020
	KShs	KShs
Public donations	0	0
Donations from local leadership	0	0
Donations from religious institutions	0	0
Donations from alumni	0	0
Other donations	0	0
Total donations and sponsorships	0	0

There was neither public contribution nor donations during the year

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10. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition fees	2,138,997	3,216,067
Student	66,500	0
Industrial attachment fees	0	0
Examination fees	117,600	411,465
Library fees	0	0
Facilities and materials	0	0
Registration fees	48,000	129,000
kucpcs	199,500	0
Total revenue from the rendering of services	2,570,597	3,756,532

11. SALE OF GOODS

Description	2020-2021	2019-2020
	KShs	KShs
Sale of goods	0	0
Sale of books	0	0
Sale of publications	0	0
Sale of farm produce	0	0
Cafeteria	0	0
Other(include in line with your organisation)	0	0
Total revenue from the sale of goods	0	0

There were no goods sold since we did not have any production unit in place during the year 2020/2021

12. HIRE OF FACILITIES AND EQUIPMENT

Description	2020-2021	2019-2020
	KShs	KShs
Hire of facilities and equipment	0	0
Contingent rental	0	0
Operating lease revenue	0	0
Total	0	0

The institution does not have hostels hence it does not receive any income

13. FINANCE INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Cash investments and fixed deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	0	0

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There were no funds invested or interest charged to debtors during the year hence no income received

14. OTHER INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Insurance recoveries	0	0
Consultancy fees	0	0
Income from sale of tender	0	0
Services concession income	0	0
Reimbursements and refunds	0	0
Graduation fees	0	0
Miscellaneous	0	0
Total other income	0	0

We did not receive any other income apart from rendering of training service.

15. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Teaching and learning materials	4,062,669	1,724,329
Industrial attachment costs	18,000	0
Katti	45,000	0
Electricity and water	150,179	135,452
Covid mitigation	1,028,739	0
Farm	11,300	0
Examination fees	652,575	230,177
Audit fees	0	0
Travelling and accommodation	442,235	986,100
Insurance	0	0
Administration expenses	374,176	0
Postage	0	0
Tveta	49,140	0
Marketing	219,450	0
Activity	80,000	0
Other casuals	363,010	0
Total good and services	7,496,473	3,076,058

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16. EMPLOYEE COSTS

	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	1,318,200	1,034,294
Employee related costs-contributions to pensions and medical aids	0	0
Travel, motorcar, accommodation, subs and other allowances	0	0
Housing benefits and allowances	0	0
Overtime payments	0	0
NHIF	54,000	54,000
NSSF	54,000	54,000
Employee costs	1,426,200	1,142,294

17. REMUNERATION OF DIRECTORS

Description	2020-2021	2019-2020
	KShs	KShs
Chairman's Honoraria	0	0
Directors emoluments	578,408	488,880
Other allowances	0	0
Total director emoluments	578,408	488,880

18. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	1,994,827	0
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	1,994,827	0

19. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	KShs	KShs
Property	24,100	151,050
Investment property—earning rentals	0	0
Equipment and machinery	0	0
Vehicles	0	0
Furniture and fittings	0	0
Computers and accessories	0	0
Other	0	0
Total repairs and maintenance	24,100	151,050

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20. CONTRACTED SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Actuarial valuations	0	0
Investment valuations	0	0
Property valuations	0	0
Total contracted services	0	0

21. GRANTS AND SUBSIDIES

Description	2020-2021	2019-2020
	KShs	KShs
Community development	0	0
Education initiatives and programs	0	0
Social development	0	0
Community trust	0	0
Sporting bodies	0	0
Total grants and subsidies	0	0

22. FINANCE COSTS

Description	2020-2021	2019-2020
	KShs	KShs
Borrowings(amortized cost)*	0	0
Finance leases(amortized cost)	0	0
Unwinding of discount	0	0
Interest on Bank overdrafts	0	0
Interest on loans from commercial banks	0	0
Total finance costs	0	0

23. GAIN ON SALE OF ASSETS

Description	2020-2021	2019-2020
	KShs	KShs
	0	0
Property, plant and equipment	0	0
Intangible assets	0	0
Other assets not capitalised	0	0
Total gain on sale of assets	0	0

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24. UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2020-2021	2019-2020
	KShs	KShs
Investments at fair value	0	0
Total gain	0	0

25. IMPAIRMENT LOSS

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	0	0
Intangible assets	0	0
Total	0	0

26. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Current account	1,136,014	2,745,046
On - call deposits	0	0
Fixed deposits account	0	0
Staff car loan/ mortgage	0	0
Cash in hand	106,129	181
Total cash and cash equivalents	1,242,143	2,745,227

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26(a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021	2019-2020
		KShs	KShs
a) Current account			
Kenya commercial bank	1159400792	166,639	229,230
Kenya commercial bank	1252707681	969,375	2,515,816
Sub- total		1,136,014	2,745,046
b) On - call deposits			
Kenya Commercial bank			
Equity Bank –etc			
Sub- total			
c) Fixed deposits account			
Kenya Commercial bank			
Bank B			
Sub- total			
d) Staff car loan/ mortgage			
Kenya Commercial bank			
Bank B			
Sub- total			
e) Others(specify)			
Cash in transit			
cash in hand		106,129	181
Mobile Money account		0	0
Sub- total		106,129	181
Grand total		1,242,143	2,745,227

27. RECEIVABLES FROM EXCHANGE TRANSACTIONS

27(a) Current Receivables from Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Student debtors	580,938	1,560,000
Rent debtors	0	0
Consultancy debtors	0	0
Other exchange debtors	0	0
Less: impairment allowance	0	0
Total current receivables	580,938	1,560,000

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27(b) Long- term Receivables from Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
Non-current receivables	0	0
Refundable deposits	0	0
Advance payments	0	0
Public organizations	0	0
Less: impairment allowance	0	0
Total	0	0
Current portion transferred to current receivables	0	0
Total non-current receivables	0	0
Total receivables	0	0

27 (c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
At the beginning of the year	0	0
Provisions during the year	0	0
Recovered during the year	0	0
Write offs during the year	0	0
At the end of the year	0	0

28. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables	1,239,000	780,000
Capitation grants*	0	0
Transfers from other govt. entities	0	0
Undisbursed donor funds	0	0
Other debtors(non-exchange transactions)	0	0
Less: impairment allowance	0	0
Total current receivables	1,239,000	780,000

28 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs

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29. INVENTORIES

Description	2020-2021	2019-2020
	KShs	KShs
Consumable stores	0	0
Maintenance stores	0	0
Health unit stores	0	0
Electrical stores	0	0
Cleaning materials stores	0	0
Catering stores	0	0
Total inventories at the lower of cost and net realizable value	0	0

30. INVESTMENTS

Description	2020-2021	2019-2020
	KShs	KShs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	0	0
CBK	0	0
Sub- total	0	0
b) Investment with Financial Institutions/ Banks		
Bank x	0	0
Bank y	0	0
Sub- total	0	0
c) Equity investments (specify)		
Equity/ shares in company	0	0
Sub- total	0	0
Grand total	0	0

d) Shareholding in other entities

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

Name of Emsos Technical and Vocational college where investment is held	No of shares			Nominal value of shares	Fair value of shares Current year	Fair value of shares Prior year
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Shs	Shs	Shs
Emsos Technical and Vocational college A						
Emsos Technical and Vocational college B						

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Emsos Technical and Vocational college C						
Emsos Technical and Vocational college D						

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31. PROPERTY, PLANT AND EQUIPMENT

DEPRECIATION RATES	Land	Buildings	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Cost								
b/f 1 st July 2020	4,000,000	53,973,082	2,500,000	1,000,000	0	101,767,500	0	163,240,582
Additions	0	0	0	0	0	0	0	
Disposals	0	0	0	0	0	0	0	
Transfers/adjustments	0	0	0	0	0	0	0	
At 1st July 2020	4,000,000	53,973,082	2,500,000	1,000,000	0	101,767,500	0	163,240,582
Additions	0	0	0	0	0	0	0	
Disposals	0	0	0	0	0	0	0	
Transfer/adjustments	0	0	0	0	0	0	0	
At 30th June 2021	4,000,000	53,973,082	2,500,000	1,000,000	0	101,767,500	0	163,240,582
Depreciation and impairment								
B/F 1 st July 2020	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
At 1st July 2020	0	0	0	0	0	0	0	0
Depreciation	0	1,349,327	312,500	333,000	0	0	0	1,994,827
Disposals	0	0	0	0	0	0	0	
Impairment	0	0	0	0	0	0	0	
Transfer/adjustment	0	0	0	0	0	0	0	
At 30th June 2021	0	1,349,327	312,500	333,000	0	0	0	1,994,827
Net book values as at June 2021	4,000,000	52,623,755	2,187,500	667,000	0	101,767,500	0	161,245,755
At 30th June 2020	4,000,000	53,973,082	2,500,000	1,000,000	0	101,767,500	0	163,240,582

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Valuation

Land were not valued, we adopted the purchasing prices

(b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	4,000,000	0	4,000,000
Buildings	53,973,082	1,349,327	52,623,755
Plant and machinery	101,767,500	0	101,767,500
Motor vehicles, including motorcycles	0	0	0
Computers and related equipment	1,000,000	333,000	667,000
Office equipment, furniture, and fittings	2,500,000	312,500	2,187,500
Total	163,240,582	1,994,827	161,245,755

32. INTANGIBLE ASSETS-SOFTWARE

Description	2020-2021	2019-2020
	KShs	KShs
Cost		
At beginning of the year		
Additions		
At end of the year		
Additions—internal development		
At end of the year		
Amortization and impairment		
At beginning of the year		
Amortization		
At end of the year		
Impairment loss		
At end of the year		
NBV		

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33. INVESTMENT PROPERTY

Description	2020-2021	2019-2020
	KShs	KShs
At beginning of the year	0	0
Additions	0	0
Disposal during the year	0	0
Depreciation	0	0
Impairment	0	0
At end of the year	0	0

34. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	2,028,330	1,068,750
Fees paid in advance	0	0
Employee advances	0	0
Third-party payments	0	0
Other payables	0	0
Total trade and other payables	2,028,330	1,068,750

35. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2020-2021	2019-2020
	KShs	KShs
Consumer deposits	0	0
Caution money	13,100	0
Other refundable deposits	0	0
Total deposits	13,100	0

36. CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	KShs	KShs	KShs	KShs	KShs
Balance at the beginning of the year					
Additional Provisions					
Provision utilised					
Change due to discount and time value for money					
Transfers from non-current provisions					
Total provisions					

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37. FINANCE LEASE OBLIGATION

Description	2020-2021 KShs	2019-2020 KShs
At the start of the year		
Discount interest on lease liability		
Paid during the year		
At end of the year		

Maturity Analysis

Period	Amount
Year 1	
Year 2	
Year 3	
Year 4	
Year 5 and onwards	
Less: Unearned interest	

Analysed as:

Description	Amount
Current	
Non- Current	
Total	

38. DEFERRED INCOME

Description	2020-2021 KShs	2019-2020 KShs
National government		
International funders		
Public contributions and donations		
Total deferred income		

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The deferred income movement is as follows:

	National government	International funders/ donors	Public contributions and donations	Total
Balance brought forward				
Additions during the year				
Transfers to Capital fund				
Transfers to income statement				
Other transfers				
Balance carried forward				

39. EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2020-2021	2019-2020
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation					
Non-current benefit obligation					
Total employee benefits obligation					

Retirement benefit Asset/ Liability

the emsos technical and vocational college does not operates a defined benefit scheme for all full-time employee.

an actuarial valuation to fulfil the financial reporting disclosure requirements of ipsas 39 was carried out as at emsos technical and vocational college June emsos technical and vocational college by emsos technical and vocational college actuarial value son this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the projected unit credit method. the principal assumptions used for the purposes of valuation are as follows:

	2020-2021	2019-2020
	Kshs	Kshs
Discount rates		
Future salary increases		
Future pension increases		
Mortality (Pre- retirement)		
Mortality (Post- retirement)		
Withdrawals		
Ill health		
Retirement		

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Recognition of Retirement Benefit Asset/ Liability

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

	2020-2021	2019-2020
Description	Kshs	Kshs
The return on defined plan assets		
Actuarial gains/ losses arising from changes in demographic assumptions		
Actuarial gains/ losses arising from 0020 changes in financial assumptions		
Actuarial gains and losses arising from experience adjustments		
Others (Specify)		
Adjustments for restrictions on the defined benefit asset		
Re measurement of the net defined benefit liability (asset)		

b) Amounts recognised in the Statement of Financial Position

	2020-2021	2019-2020
Description	Kshs	Kshs
Present value of defined benefit obligations(a)		
Fair value of plan assets(b)		
Funded Status(=a-b)		
Restrictions on asset recognised		
Others		
Net Asset or liability arising from defined benefit obligation		

The Emsos Technical and Vocational college also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Emsos Technical and Vocational college obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 400 per employee per month.

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40. NON-CURRENT PROVISIONS

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	KShs		KShs	KShs	KShs
Balance at the beginning of the year					
Additional Provisions					
Provision utilised					
Change due to discount and time value for money					
Less: Current portion					
Total deferred income					

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 34)

41. BORROWINGS

Description	2020-2021	2019-2020
	KShs	KShs
Balance at beginning of the year		
External borrowings during the year		
Domestic borrowings during the year		
Repayments of external borrowings during the year		
Repayments of domestic borrowings during the year		
Balance at end of the year		

41 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS

	2020-2021	2019-2020
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'organization'		
Sterling Pound denominated loan from 'yyyorganisation'		
Euro denominated loan from zzzorganisation'		
Domestic Borrowings		
Kenya Shilling loan from KCB		
Kenya Shilling loan from Barclays Bank		
Kenya Shilling loan from Consolidated Bank		
Total balance at end of the year		

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41b) BREAKDOWN OF LONG- AND SHORT-TERM BORROWINGS

Description	2020-2021	2019-2020
	KShs	KShs
Short term borrowings(current portion)		
Long term borrowings		
Total		

(NB: the total of this statement should tie to note 42 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

42. SERVICE CONCESSION ARRANGEMENTS

Description	2020-2021	2019-2020
	KShs	KShs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	0	0
Net carrying amount	0	0
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	0	0
Service concession liability at end of the year	0	0

43. CASH GENERATED FROM OPERATIONS

	2020-2021	2019-2020
Surplus for the year before tax	KShs	KShs
Adjusted for:		
Depreciation	1,994,827	0
Non-cash grants received		
Contributed assets		
Impairment		
Gains and losses on disposal of assets		
Contribution to provisions		
Contribution to impairment allowance		
Finance income		
Finance cost		
Working Capital adjustments		
Increase in inventory		
Increase in receivables		
Increase in deferred income		
Increase in payables	2,028,330	
Increase in payments received in advance	13,100	
Net cash flow from operating activities		

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

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44. FINANCIAL RISK MANAGEMENT

The Emsos Technical and Vocational college 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 Emsos Technical and Vocational college financial risk management objectives and policies are detailed below:

(i) Credit risk

The Emsos Technical and Vocational college 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 Emsos Technical and Vocational college 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
At 30 June 2021				
Receivables from exchange transactions	580,938	580,938		
Receivables from non-exchange transactions	1,239,000	1,239,000		
Bank balances	1,242,143			
Total	3,062,081			

(i) Credit risk

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

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

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(ii) Liquidity risk management

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

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

	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
At 30 June 2021		1,972,470	55,860	2,028,330
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total		1,972,470	55,860	2,028,330

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(iii) Market risk

The Emsos Technical and Vocational college has put in place an internal audit function to assist it in assessing the risk faced by the Emsos Technical and Vocational college 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 Emsos Technical and Vocational college 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 Emsos Technical and Vocational College 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 Emsos Technical and Vocational college exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Emsos Technical and Vocational college 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 Emsos Technical and Vocational college foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 20xx			
Financial assets(investments, cash, debtors)			
Liabilities			
Trade and other payables			
Borrowings			
Net foreign currency asset/(liability)			

The Emsos Technical and Vocational college 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.

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a) Foreign currency risk

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2021			
Financial assets(investments, cash ,debtors)			
Liabilities			
Trade and other payables			
Borrowings			
Net foreign currency asset/(liability)			

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.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2020			
Euro	10		
USD	10		
2021			
Euro	10		
USD	10h		

b) Interest rate risk

Interest rate risk is the risk that the Emsos Technical and Vocational college 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.

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b) Interest rate risk(continued)

Sensitivity analysis

The Emsos Technical and Vocational college 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.

iv) **Capital Risk Management**

The objective of the Emsos Technical and Vocational college capital risk management is to safeguard the Emsos Technical and Vocational college ability to continue as a going concern. The Emsos Technical and Vocational college capital structure comprises of the following funds:

	20xx-20xx	20xx-20xx
	Kshs	Kshs
Revaluation reserve		
Retained earnings		
Capital reserve		
Total funds		
Total borrowings		
Less: cash and bank balances		
Net debt/(excess cash and cash equivalents)		
Gearing	xx%	xx%

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45. RELATED PARTY BALANCES

Nature of related party relationships

Entities and other parties related to the Emsos Technical and Vocational college 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 *Emsos Technical and Vocational college*, holding 100% of the *Emsos Technical and Vocational college* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Emsos Technical and Vocational college, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) The county government of Uasin Gishu and Nandi
- iv) Technical and vocational Training Authority
- v) Board of Governors
- vi) Key management;

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

	2020-2021	2019-2020
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to Govt agencies		
Rent Income from govt. agencies		
Water sales to Govt. agencies		
Others (Specify)		
Total		
b) Purchases from related parties		
Purchases of electricity from KPLC		
Purchase of water from govt service providers		
Rent expenses paid to govt agencies		
Training and conference fees paid to govt. agencies		
Others (specify)		
Total		
b) Grants /Transfers from the Government		
Grants from National Govt	3,712,500	2,560,000
Grants from County Government		
Donations in kind		
Total	3,712,500	2,560,000
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	1,426,200	1,142,294
Payments for goods and services	7,496,473	3,076,058
Total	8,922,673	4,218,352
d) Key management compensation		
Directors' emoluments	578,405	488,800
Compensation to key management	578,405	488,800

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	2020-2021	2019-2020
	Kshs	Kshs
Total		

46. SEGMENT INFORMATION

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Emsos Technical and Vocational college to present segmental information of each geographic region or department to enable users understand the Emsos Technical and Vocational college performance and allocation of resources to different segments)

47. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets

	2020-2021	2019-2020
	Kshs	Kshs
Contingent assets		
Insurance reimbursements		
Assets arising from determination of court cases		
Reimbursable indemnities and guarantees		
Others (Specify)		
Total		

Contingent Liabilities

	2020-2021	2019-2020
	Kshs	Kshs
Contingent liabilities		
Court case EMSOS TECHNICAL AND VOCATIONAL COLLEGE against the Emsos Technical and Vocational college		
Bank guarantees in favour of subsidiary		
Contingent liabilities arising from contracts including PPPs		
Others (Specify)		
Total		

(Give details)

48. CAPITAL COMMITMENTS

Capital commitments	2020-2021	2019-2020
	Kshs	Kshs
Authorised for		
Authorised and contracted for		
Total		

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been

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*authorised by the Emsos Technical and Vocational college but at the end of the year had not
been contracted or those already contracted for and ongoing)*

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49. DEFERRED TAX LIABILITY

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

	2020-2021	2019-2020
	Kshs	Kshs
Accelerated capital allowances		
Unrealised exchange gains/(losses)		
Revaluation surplus		
Tax losses carried forward		
Provisions for liabilities and charges		
Net deferred tax liability/(asset)		
The movement on the deferred tax account is as follows:		
Balance at beginning of the year		
Credit to revaluation reserve		
Under provision in prior year		
Income statement charge/(credit)		
Balance at end of the year		

[In ordinary circumstances public sector entities under IPSAS are not expected to pay taxes. However, in specific cases where this is applicable an organisation is supposed to seek guidance on accounting for income taxes from IAS 12)

50. EVENTS AFTER THE REPORTING PERIOD

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

51. ULTIMATE AND HOLDING EMSOS TECHNICAL AND VOCATIONAL COLLEGE

The Emsos Technical and Vocational college is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of EMSOS TECHNICAL AND VOCATIONAL COLLEGE. Its ultimate parent is the Government of Kenya.

52. CURRENCY

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

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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	Inaccuracies in the statement of financial position	The variance was corrected	resolved	
2	Inaccuracy in the statement of financial performance	The inaccuracy was corrected and updated	resolved	
3	Inaccuracy in the statement of cash flows	The management the corrected the cash flow	resolved	
4	Ownership and valuation of property ,plant and Equipment	The management has shown the correct values and attached	resolved	
5	Presentation and disclosures of financial statement	The management has presented the financial statement according to IPSAS template	resolved	
1	Payment of salaries below minimum wage	The management is in the process of coming up with a scheme of service	Not resolved	
2	Non-compliance with the law on ethnic composition	The management is putting effort when making job advert to attract other ethnic community	Not resolved	
	Lack of risk management policy	The management has started the process of coming up with policy	Not resolved	


Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within Emsos Technical and Vocational college responsible for implementation of each issue;

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(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Accounting Officer

for Name **GETRAUDE SANE**
Signature 
Date. **18.07.2022**

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**APPENDIX II: PROJECTS IMPLEMENTED BY THE EMSOS TECHNICAL AND
VOCATIONAL COLLEGE**

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						

Status of Projects completion

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

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

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**APPENDIX III: INTER-EMSOS TECHNICAL AND VOCATIONAL COLLEGE
TRANSFERS**

EMSOS TECHNICAL AND VOCATIONAL COLLEGE NAME:				
Break down of Transfers from the State Department of EMSOS TECHNICAL AND VOCATIONAL COLLEGE				
FY 2020/2021				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		3.07.2020	780,000	FY 2019/2020
		9.11.2020	500,000	FY 2020/2021
		20.11.2020	697,500	FY 2020/2021
		12.02.2021	697,500	FY 2020/2021
		23.02.2021	500,000	FY 2020/2021
		31.03.2021	1,317,500	FY 2020/2021
		04.07.2021	1,739,000	FY 2020/2021
		Total	6,231,500	

Finance Manager
Emsos Technical and Vocational college

Sign 

Head of Accounting Unit
Ministry

Sign-----

**EMSOS TECHNICAL AND VOCATIONAL COLLEGE
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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized	
				Statement of Financial Performance	Total Transfers during the Year
Ministry of Education	9.11.2020	Recurrent	500,000	Recognized	500,000
Ministry of Education	20.11.2020	Recurrent	697,500	Recognized	697,500
Ministry of Education	12.02.2021	Recurrent	697,500	Recognized	697,500
Ministry of Education	23.02.2021	Recurrent	500,000	Recognized	500,000
Ministry of Education	31.03.2021	Recurrent	1,317,500	Recognized	1,317,500
Ministry of Education	04.07.2021	recurrent	1,739,000	Recognized	1,739,000
Total			5,451,500		5,451,500