

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 23 JUL 2021

DAY.

WEDNESDAY

PARLIAMENT
OF KENYA
LIBRARY

OF

TABLED
BY:

HON(CDR) ROBERT

BV PUKOSE

CLERK-AT
THE-TABLE:

HALIMA SULEIMAN

THE AUDITOR-GENERAL

ON

TOTAL TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2021



International Public Sector Accounting Standards (IPSAS)
Annual Financial Reporting Template for
*Technical Vocational Education Training (TVET) Institutions, National Polytechnics and
Teacher Training Colleges*

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
TOTAL 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)**

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

Table of Contents

I.	KEY ENTITY INFORMATION AND MANAGEMENT	ii
II.	THE COUNCIL/BOARD OF GOVERNORS.....	v
III.	MANAGEMENT TEAM	vii
IV.	CHAIRMAN'S STATEMENT	viii
V.	REPORT OF THE PRINCIPAL	viii
VI.	STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES	viii
VII.	CORPORATE GOVERNANCE STATEMENT	ix
VIII.	MANAGEMENT DISCUSSION AND ANALYSIS	x
IX.	ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	x
X.	REPORT OF THE COUNCIL/BOARD OF GOVERNORS	xii
XI.	STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS' RESPONSIBILITIES.....	xiii
XII.	REPORT OF THE INDEPENDENT AUDITOR ON THE ENTITY	xiv
XIII.	STATEMENT OF FINANCIAL PERFORMANC FOR THE YEAR ENDED 30 JUNE 2021..	1
XIV.	STATEMENT OF FINANCIAL POSITION AS AT 30 th JUNE 2021	2
XV.	STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021....	3
XVI.	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021.....	4
XVII.	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021	5
XVIII.	NOTES TO THE FINANCIAL STATEMENTS.....	6
	APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	22
	APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY	23
	APPENDIX III: INTER-ENTITY TRANSFERS.....	24
	APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES.....	25

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Total Technical and Vocational College established and registered on 2019 under the TVET Act 2013 Act. The entity is domiciled in Kenya situated in Kuresoi North Constituency, Kamara Division. The institution is located in serene environment conducive for learning just off Nakuru Eldoret road near Mau summit interchange.

(b) Principal Activities

The principal activity of the college is to offer technical and vocational education trainings in Diploma, Certificate and Artisan as per TVET ACT 2013.

MISSION

To provide technical and vocational education through training and research that promotes creativity, innovation and incubation for the advancement of society.

VISSION

Committed to be top rated college for technical and vocational education in Kenya.

(c) Key Management

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

Board of Governors/ Council/ Management etc;
Accounting officer/ Principal
Management

(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	JOSEPH WAIHARO
2.	Deputy principal Finance	-
3	Deputy principal Academics	- EMMY SERONEY
4	Registrar (s)	DOMINIC KIPKOECH
5	Dean of students	PETER MWANGI MBUGUA
6	Head of Finance	-

(e) Fiduciary Oversight Arrangements

The TVET Act requires college should nominate BOG members which will act as fiduciary oversight.

Under the TVET Act, the function of the board as set out under section 28(1) shall include:

- Oversing the conduct of education and training in the institution in accordance with the provision of the act and any other written laws.
- Promote and maintain standard, quality and relevance in education and training in the institution in accordance with the act and any other written laws.
- Administering and managing of property of the institutions.
- Developing and implementing of the institution's strategic plans.

TOTAL TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

- v. Preparing annual estimates of revenues and expenditures for the institutions and incurring expenditures on behalf of the institution, fees, grants, subscriptions, donations, bequests or any other money disbursement to the institution or other bodies or persons.
 - vi. Determining fees payable and prescribing conditions under which fees maybe remitted in part or in whole in accordance with the guidelines develop under these provisions of the act.
 - vii. Developing and reviewing programmes for training and make presentation to board thereon.
 - viii. Regulating the admission and exclusion of the student from the institution subject to regulation framework.
 - ix. Approving collaborations and associations with other institutions and industries in and outside Kenya.
 - x. Recruit and appointing of trainers from among the qualified professionals and instructors and remunerating staff.
 - xi. Making regulations governing organisations, conduct and discipline of staff and student.
 - xii. Prepares comprehensive report in all areas of mandate, including education and training services and submit the same to the board.
 - xiii. Provide for welfare of student and staff.
 - xiv. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in school.
 - xv. Discharging all other functions coffered by the act.
- Board of governors has committee which assist in its operations of the college as follows;

Education training and human resource committee.

Key mandate of this committee review and set of courses offered, recruitment, training resources and policy making.

Audit and risk management committee

This committee are to assess areas of material risk and make recommendation to ensure d Does not suffer loss.

Finance and project committee.

This committee is responsible in reviewing and annually and quarterly of financial Reports and budgets.

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

KEY ENTITY INFORMATION AND MANAGEMENT

(f) Entity Headquarters

TOTAL TECHNICAL AND VOCATIONAL COLLEGE

Nakuru Eldoret Road Mau summit Interchange.
Along KENYA.

(g) Entity Contacts

Telephone: (254) 741769520.

E-mail: totalinstitute@yahoo.com

(h) Entity Bankers

Equity bank.
P.O Box 396,
Litein

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021
II. THE COUNCIL/BOARD OF GOVERNORS

No.	Member/ Director		Details/role
1.	BOG Chairman GEOFFRY TANUI		- Holder of degree in Electrical Engineering - 8 years' experience as Electrical Operation Manager. - Chairing of board meeting
2.	BOG Member JUDITH ACHIENG ATIENO		- Holder of degree - 4 years. experience as a banker - Nominated to represent industry and chair audit and risk management. - monitor financial spending in the college
3.	BOG Member DR. MOSES AGUMBA		- Holder of PHD - 15years experience as a lecturer. - Nominated on leadership and management. - chairs education training and human resource committee which ensure curriculum implementation.
4.	BOG Member CAROLINE CHESANG		- Holder of degree - 1 year. experiences as a Manager in Madison investment - Nominated on technology and member of education training committee.
5.	Secretary Board JOSEPH WAIHARO		-Holder of Master in business administration (strategic management). - Principal to the college and secretary to the board
6.	BOG Member ENG. DANIEL SACHO		- Holder of degree - 10 years' experience as an engineer. -Nominated on engineering and member on finance and projects.

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

7.	BOG Member SAMMY THUO KANGA		- Holder of Master's degree business administration. - 15 years as Finance officer - Nominated on finance

III. MANAGEMENT TEAM

No.	Member/ Director		Details
1.	JOSEPH WAIHARO		- Principal/College accounting officer - Recruitment college staff - Overseeing daily operations of the college - Secretary to Board of governors - Implementation of BOG decisions - Holder of master's in business management (strategic management.
2.	EMMY SERONEY		- Deputizes Principal - Supervises learning - Holder of bachelors of education (home science)
3.	DOMINIC KIPKOECH		- Training land survey - In charge of admissions - Holder of bachelors of land survey.
4.	PETER MWANGI MBUGUA		- Training electrical - In charge of student welfare. - Holder of bachelors in education in electrical and electronics.

TOTAL TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

IV. CHAIRMAN'S STATEMENT

On behalf of the board of governors am pleased to present the institute annual report statement for the year ended 30th June 2021. The inauguration of the board took over the governance of college on 4th February 2021 following appointment by cabinet secretary of education. Total technical recognises its role in helping Kenya to achieve development goals through training, research and innovation and teaching on up-to-date syllabus so as to meet requirement and customer satisfactions.

The board of governance is confident that the institution performance of its mandate is at high level to address the requirement for human resource for tvets in the country. The board acknowledges the role by college staff in providing well trained trainee and it's the role of the board to mobilize resources and utilised them effectively to promote vocational training. In this regards board is working keenly with the staff to ensure programmes offered are done in the best way so as to enable trainee acquire necessary skills and knowledge.

There are challenges being faced such as shortage of classrooms, workshop, high number of student school dropout and poor fees payment and way forward for the institution is to find ways of generating income and also request government to increase more funding to small institution as a way of supporting for its sustainability.

On behalf of the board, I wish to thank government of Kenya and area member of parliament for their continuous financial support.

V. REPORT OF THE PRINCIPAL

Total TVC was established in June 2019 under mentorship of Bureti technical. College has its first intake of 50 students were enrolled. All the financial disbursement during the year were channelled through mentor account.

Currently the college has trainers employed by ministry of education and others employed by board of management and non-teaching staff. During the financial under review the following was done,

1. Construction of student toilets which was done by Kuresoi constituency development fund.
2. Replacing of wooden doors in computer lab and workshops with steel door to enhance security of equipment.
3. Installation of power house.

Despite the challenge on low enrolment, we are grateful to the government for the financial support we have received in form of capitation and grants. We also appreciate other stakeholders such as Helb and Kuresoi constituency fund who have supported trainee by giving loan and bursaries.


Principal

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021
VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Total technical and vocational college strategic plans and objectives for current and future Plans to thriving on for it to be successfully in its mandate and remain a competitive college within the county. These strategic plans are as follows:

- 1: Competitiveness
- 2: Institutional Governance

Below are interventions undertaken as indicated in the diagram below.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Competitiveness	-To enhance competitiveness - Expanding of institution buildings	-Increased student enrolment	-strengthening existing learning area and tools - promote use of modern equipment and technology	-Benchmarking with other schools done periodically -Expansion to be done in the near future though corporation with NGCDF
Institutional Governance	-Improve on institutional corporate governance	- Constant review of courses offered. -To improve on management trainings -Establish benchmark with establish institution -To improve on budget making processes	-To develop institutional policies and programmes.	- To increases new courses. - To improve on budget accuracy

TOTAL TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

VII. CORPORATE GOVERNANCE STATEMENT

The board is appointed by the Government of Kenya through Cabinet Secretary Ministry of education to oversee its interest in long term and overall success in business and its financial strength to discharge its mandate in training. The board serves as the ultimate decision-making body of the institution except matters reserved to or shared with the ministry of education.

Total Technical and Vocational College Board of Governors derives its powers from the Acts of Parliament, recognises its accountability to the government and the public at large and therefore its values of honesty, openness and integrity in its undertaking.

Board consists of one executive member and non-executive members. Members of the board are drawn from different professional backgrounds hence bringing in different skills and knowledge.

The principal carries out day-to-day activities of the college on behalf of the board, however the board retains its role of accountability to the government to ensure the college is managed professionally.

Board meeting

There are at least three meetings in a year as per TVET Act of 2013. The chairperson presides over every meeting at the time when present, but in case of his absence members present may elect one to preside among themselves. The quorum of the board is seven members which include five appointed members. Subcommittee meeting is held from time to time depending on the need. At its regular meeting, the board's considerations include:

- Progress of academic's programmes.
- Institute resources and general management.
- Financial statements

On expiry of the tenure of the board, the process of appointing new board of management is laid out in the TVET Act 2013 shall be followed.

Board accountability.

Despite delegating its duties to various committees, the board is fully aware of its accountability to the government of Kenya.

Resignation of appointment, revocation of appointment and vacant of office.

Total Technical and Vocational College applies the provisions of the second schedule of TVET Act when dealing with resignation of appointment and vacation of board members.

Board succession planning.

The board's tenure is three years and the existing members can be renominated for another term except the chairman. College has kept CVs for those who have been identified as having potential and therefore easy to replace when vacancy arises.

TOTAL TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

Total technical commence its operations by admitting on January 2020. Due to challenges inherent with new establishments, enrolment continued dwindling and remained low. However, the covid -19 outbreak in March 2020 led to abrupt closure of all learning institution. Institution opened in early 2021 and closed again which affected enrolment and general performance of college. In 2020/2021 government transfer money through mentor Bureti technical college and college received ksh 2,281,800 fees collected amounted to ksh 554,550 against projected ksh 7,970,000

In summary:

Year	Budget	Actual	Utilisation
30 th June 2021	2020/2021	2020/2021	2020/2021
receipts	7,970,000	2,836,350	35%
payments	7,970,000	2,572,740	32%

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING.

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

Sustainability strategy and profile.

In pursuit of sustainability strategy, college should ensure that,

1. Employ qualified personnel in all areas.
2. Conduct capacity building regularly.

Employee welfare

The college is guided by the public service human resource manual on hiring of its staff. The college are in the process of developing of human resource policy to guide in hiring and remuneration process.

Market place practices

College is situated along the Mau-summit Kericho interchange which make ideal to attract more learners though facing competition from neighbouring institutions. To mitigate on this, there is a need to conduct through marketing and adhere with government guidelines on charging of fees. Also enhance collaboration with Kuresoi constituency development offices and county government by supporting needy student with bursaries.

Institution commits to ensure that they register suppliers and ensure quality supply of goods and services and making payment in time.

Trainees are encouraging to engage in sporting activities though inter departmental completion and friendlies with other neighbouring institutions.

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021
Corporate Social Responsibility / Community Engagements

The college did not engage on corporate social responsibility because of financial constraints.

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021
X. REPORT OF THE COUNCIL/BOARD OF GOVERNORS

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the college affairs.

Principal activities

The principal activities of the college are to offer technical and vocational education training to level of diploma.

Results

The results of the entity for the year ended June 30 2021 are set out on page 1-5

COUNCIL/BOARD OF GOVERNORS

The members of the Board /Council who served during the year are shown on page VI. During the year 2021 two Council/Board of Governors namely Steven Kipkenda Kiplangat and Samwel Wairimu never shown Interest And were yet to be replace at close of financial year but replace at later date by Sammy Kangea for financial management.

Auditors

The Auditor General is responsible for the statutory audit of the college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants were nominated by the Auditor General to carry out the audit of the college for the year/period 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



.....
Secretary of the Board/Council

Nairobi

Date:

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021
XI. STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS' RESPONSIBILITIES

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

The council members are responsible for the preparation and presentation of the college financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year ended 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 the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

Approval of the financial statements

The college financial statements were approved by the Board on _____ 2021 and signed on its behalf by:

Name.....
Signature.....

Chairperson of the Board/Council

Name.....
Signature.....

Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

Enhancing Accountability

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of Total Technical and Vocational College set out on page 1 to 23, which comprise of the statement of financial position as at 30 June, 2021,

statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by Timothy Kyallo & Associates, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

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

Basis for Qualified Opinion

1. Unsupported Expenses

The statement of financial performance reflects amounts of Kshs.1,885,140 and Kshs.26,000 in respect of use of goods and services and repairs and maintenance respectively all totaling Kshs.1,911,140 which was not adequately supported. The imprest requisition forms, materials requisition forms from user departments, tender advertisements and awards, local service/product orders, good received notes (GRN) were not provided for audit verification.

In the circumstances, the accuracy and completeness of the expenditure totaling Kshs.1,911,140 could not be confirmed.

2. Unsupported Property, Plant and Equipment Balance

The statement of financial position as disclosed in Note 15 to the financial statements, reflects property, plant and equipment balance of Kshs. 47,700,000 which represents the value for the College's buildings. However, the valuation report in relation to the buildings was not provided for audit verification. In addition, the College land was excluded from the property plant and equipment balance of Kshs.47,700,000 and no evidence was provided to confirm that the land was surveyed or valued and it did not have a title deed.

In the circumstances, the accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.47,700,000 could not be confirmed.

3. Unsupported Current Portion of Receivables from Exchange Transactions

The statement of financial position as disclosed in Note 14 to the financial statements, reflects current portion of receivables from exchange transactions balance of

Kshs.5,358,110 which relates to student debtors. However, Management did not provide ageing analysis for the outstanding student fees for audit review.

In the circumstances, the accuracy, completeness and recoverability of the current portion of receivables from exchange transactions balance of Kshs.5,358,110 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.7,970,000 and Kshs.2,836,350 respectively resulting to an underfunding of Ksh.5,133,650 or 64% of the budget. Similarly, the institution spent Kshs.2,572,740 against approved budget of Kshs.7,970,000 resulting in an under expenditure of Kshs.5,397,260 or 68% of the budget.

The under-collection and under expenditure affected the planned activities of the College and may have impacted negatively on service delivery to the public.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit of the previous year, several paragraphs were raised under the Report on Financial on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not given any explanation on how the issues were resolved.

Other Information

The management responsible for the other information set out on page ii to xxv which comprise of Key Entity Information and Management, The Board of Governors,

Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors, Statement of Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of an Internal Audit Function and Audit Committee

During the year under review, the College did not have an internal audit function and there was no evidence that the College had an audit committee or that such a committee sat during the year to oversight the College's activities or operations. This is contrary to Section 73 (1) (a) of the Public Finance Management Act, 2012 which states that every National Government entity shall ensure that it complies with this Act and - has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, Sub-section 5 provides that every National Government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations.

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

2. Non-Deduction and Non-Remittances of PAYE

During the year under review, the College had not registered for Pay As You Earn obligation with the Kenya Revenue Authority. The College did not therefore deducts or

remit PAYE on primary or secondary employees as required by Section 5 of the Income Tax Act, Cap 470 of the Laws of Kenya.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Inadequate Segregation of Duties

Review of the College's operating environment revealed lack of effective financial and procurement processes in the processing of transactions and procurement of goods and services. Appropriate forms for request of goods/materials are not in place to aid user departments request for goods/services. Further, the College did not raise Local Purchase/Service Orders (LPOs/LSOs) to procure goods and services that contrary to the procurement laws that clearly state the conditions and terms of the procurement of goods/services. In addition, goods received notes were non-existence and there was no process of confirming as to whether goods/materials procurement were received or not.

In the circumstances, the effectiveness of the internal controls related to procurement of goods and services could not be confirmed.

2. Lack of Staff Establishment and Scheme of Service

During the year under review, the College did not have an approved staff establishment or scheme of service in place. As a result, it was not possible to establish how the cadres and staff capacity in the various departments were determined and if the staffing levels were optimum. In addition, lack of the staff establishment and scheme of service may lead to over or under staffing.

In the circumstances, the College may not be in a position to determine whether it is operating with an optimal number of staff to ensure efficient and effective service delivery to the public.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the college 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error

Report of the Auditor-General on Total Technical and Vocational College for the year ended 30 June, 2021

and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 May, 2025

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

XIII. STATEMENT OF FINANCIAL PERFORMANC FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021 Kshs
Revenue from non-exchange transactions		
Transfers from the National Government - capitation	5	2,281,800
		2,281,800
Revenue from exchange transactions		
Rendering of services- Fees from students	6	554,550
Receivables from exchange transactions	14(a)	5,358,110
Revenue from exchange transactions		5,912,660
Total revenue		8,194,460
Expenses		
Use of goods and services	7	1,885,140
Employee costs	8	540,275
Board /Council Expenses	9	121,325
Depreciation and amortization expense	10	5,300,000
Repairs and maintenance	11	26,000
Total expenses		7,872,740
Other gains/(losses)		
Net Surplus for the Period		321,720
Attributable to:		

The annual financial statements and notes are set out on pages 1 to 21.

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDE 30TH JUNE 2021

XIV. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

	Notes	2020-2021 Kshs
Assets		
Current assets		
Cash and cash equivalents	13	263,610
Current portion of receivables from exchange transactions	14(a)	5,358,110
		5,621,720
Non-current assets		
Property, plant and equipment	15	47,700,000
		0
Total assets		53,321,720
Liabilities		
Current liabilities		
Trade and other payables from exchange transactions	16	0
		0
Non-current liabilities		
		0
Total liabilities		0
Net assets		53,321,720
Reserves		0
Accumulated surplus		321,720
Capital Fund		53,321,720
Total net assets and liabilities		53,321,720

The Financial Statements and notes set out on pages 1 to 21 were signed on behalf of the Institute Council/ Board of Governors by:



Chairman of Council/Board of Governors

Date.....



Finance Officer
ICPAK No

Date



Principal

Date.....

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDE 30TH JUNE 2021

XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2020	0	0	0	0	0
Revaluation gain	0	-	-	-	0
Fair value adjustment on quoted investments	-	0	-	-	0
Total comprehensive income	-	-	321,720	-	321,720
Capital/development grants received during the year	-	-	-	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-		(0)	
At June 30, 2021	0	0	321,720	53,000,000	53,321,720

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDE 30TH JUNE 2021

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

		2020-2021
	Note	Kshs
Cash flows from operating activities		
Receipts		
Transfers from other Government entities/Govt. grants		2,281,800
Rendering of services- Fees from students		554,550
Total Receipts		2,836,350
Payments		
Compensation of employees		540,275
Use of goods and services		1,885,140
Board of governors		121,325
Repairs and Maintainace		26,000
Total Payments		2,572,740
Net cash flows from operating activities	42	263,610
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets		(0)
Proceeds from sale of property, plant and equipment		0
Decrease in non-current receivables		0
Increase in investments		(0)
Net cash flows used in investing activities		(0)
Cash flows from financing activities		
Proceeds from borrowings		0
Repayment of borrowings		(0)
Increase in deposits		
Net cash flows used in financing activities		(0)
Net increase/(decrease) in cash and cash equivalents		263,610
Cash and cash equivalents at 1 JULY 2020	25	0
Cash and cash equivalents at 30 JUNE 2021	25	263,610

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

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

	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date Budget	Actual difference	% of Utilization
	a	b	c=a+b		d	e=d/c %
Revenue	Kshs	Kshs		Kshs	Kshs	Kshs
Transfers from other Govt entities Govt grants	5,000,000	(0)	5,000,000	2,281,800	2,718,200	54%
Rendering of services- Fees from students	2,970,000	0	2,970,000	554,550	2,415,450	19%
Total income	7,970,000	(0)	7,970,000	2,836,350		
Expenses						
Compensation of employees	744,000	0	744,000	540,275	203,725	73%
Use of Goods and services	6,604,000	(0)	6,604,000	1,885,140	4,718,860	29%
Board of governors	350,000	(0)	350,000	121,325	228,675	35%
Repairs and maintenance	272,000		272,000	26,000	246,000	10%
Total expenditure	7,970,000	(0)	7,970,000	2,572,740	0	0
Surplus for the period	0	0	0	263,610		

Budget notes

1. Government capitation and grants was disbursed through mentor institution Bureti technical college.
2. There was high school dropout and disruption by covid-19 outbreak
3. Reconciliation of total actual reported in this statement and actual reflected in the statement of financial performance is as below:

	AMOUNT KSH
REVENUES	
Totals actuals revenues as per statement of comparison of budget and actuals	2,836,350
Totals receivables as per financial performance	2,826,550
EXPENSES	
Total expenses as per statement of comparison of budget and actuals	2,572,740
Add: depreciations	5,300,000
Totals expenses as per financial performance	7,872,740

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Total technical and vocational college is established by and derives its authority and accountability from TVETA Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants and capitation are recognized in the statement of comprehensive income.

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of admission.

b) Budget information

The original budget for FY 2020/2021 was approved by the Council or Board and Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

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

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

c) Property, plant and equipment

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

d) Nature and purpose of reserves

The college creates and maintains reserves in terms of specific requirements which is accumulation of surpluses and deficits which arises due to unpaid fees and unutilized funds at end of year.

e) Related parties

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

f) 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. Bank account balances include amounts held at the commercial banks at the end of the financial year.

g) Comparative figures

There are no comparative figures for the previous financial year.

h) 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.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

5. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021 KShs
Unconditional grants	
Capitation grants	2,281,800
Operational grant	0
Other grants	0
	0
Conditional grants	
Library grant	0
Hostels grant	0
Administration block grant	0
Laboratory grant	0
Learning facilities grant	0
Other organizational grants	0
Total government grants and subsidies	2,281,800

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity 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	0	0	0

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

6. RENDERING OF SERVICES

Description		2020-2021
		KShs
Repairs and Maintainace		35,520
Student council		6,200
Industrial Attachment Fees		31,500
Examination Fees		187,280
Insurance		6,600
EWC		34,500
Internet		31,500
Activity		9,3000
Development		34,500
Administration		35,000
Registration Fees		6,500
Medical		6,400
Placement		105,750
Total revenue from the rendering of services		554,550

7. USE OF GOODS AND SERVICES

Description		2020-2021
		KShs
Teaching and learning materials		132,140
Electricity		49,000
Water		95,880
Office tea and snacks		82,000
Bank charges		7,990
Stationaries		88,060
Examination fees		47,000
Kitchen cost		65,475
Travelling and accommodation		240,140
Activity		22,000
Cleaning		12,350
Postage, printing		40,250
Exams practical materials		168,030
airtime expenses		50,400
KATTI		21,210
Project		763,215
Total good and services		1,885,140

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

8. EMPLOYEE COSTS

	2020-2021
	KShs
Salaries and wages	540,275
Employee related costs - contributions to pensions and medical aids	0
Travel, motor car, accommodation, subsistence and other allowances	0
Housing benefits and allowances	0
Overtime payments	0
Performance and other bonuses	0
Social contributions	0
Employee costs	540,275

9. REMUNERATION OF BOARD OF GOVERNORS

Description	2020-2021
	KShs
Chairman's Honoraria	0
Directors' emoluments	0
Other allowances	121,325
Total director emoluments	121,325

10. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021
	KShs
Property, plant and equipment	5,300,000
Intangible assets	0
Investment property carried at cost	0
Total depreciation and amortization	5,300,000

11. REPAIRS AND MAINTENANCE

Description	2020-2021
	KShs
Property	26,000
Investment property - earning rentals	0
Equipment and machinery	0
Vehicles	0
Furniture and fittings	0
Computers and accessories	0
Other	0
Total repairs and maintenance	26,000

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

12. CASH AND CASH EQUIVALENTS

Description	2020-2021 KShs
Current account	263,610
On - call deposits	0
Fixed deposits account	0
Staff car loan/ mortgage	0
Others(specify)	0
Total cash and cash equivalents	263,610

13. DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021 KShs
a) a) Current account		
Equity Bank	0530279606721	263,610
Grand total		263,610

14. RECEIVABLES FROM EXCHANGE TRANSACTIONS

14(a) Current Receivables from Exchange Transactions

Description	2020-2021 KShs
Current receivables	
Student debtors	5,358,110
Rent debtors	0
Consultancy debtors	0
Other exchange debtors	0
Less: impairment allowance	(0)
Total current receivables	5,358,110

14(b) Long- term Receivables from Exchange Transactions

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

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

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

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

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 th July 2020	53,000,000	0	0	0	0	0	53,000,000
Additions during the period-	0	0	0	-	-	0	0
Disposals during the period	(0)	(0)	-	-	-	(0)	(0)
Transfers/adjustments during the period	0	(0)	0	(0)	-	0	(0)
As at June 2021	53,000,000	0	0	0	0	0	53,000,000
Depreciation and impairment							
Depreciation as at 30th June 2021	0	0	0	0	0	0	0)
Depreciation for the period	(5,300,000)	(0)	(0)	(0)		(0)	(5,300,000)
impairment for the period	(0)						(0)
Net book values	47,700,00	0	0	0	0	0	47,700,000
As at 30 th June 2021	47,700,000	0	0	0	0	0	47,700,00

- Depreciation is provided at reducing balance method.
- Title deed of the land is still in the name PELE primary hosing college.
- Plant and machinery provided by the ministry does not have any cost indication on delivery documents.

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

Valuation

buildings were not valued by an independent valuer.

15 (b) Property, Plant and Equipment at Cost

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	0	0	0
Buildings	53,000,000	5,300,000	47,700,000
Plant and machinery	0	0	0
Motor vehicles, including motorcycles	0	0	0
Computers and related equipment	0	0	0
Office equipment, furniture, and fittings	0	0	0
Total	53,000,000	5,300,000	47,700,000

16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021
	KShs
Trade payables	0
Fees paid in advance	0
Employee advances	0
Third-party payments	0
Other payables	0
Total trade and other payables	0

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021
17. CASH GENERATED FROM OPERATIONS

	2020-2021
Surplus for the year before tax	KShs
Adjusted for:	321,720
Depreciation	5,300,000
Non-cash grants received	(0)
Contributed assets	(0)
Impairment	0
Gains and losses on disposal of assets	(0)
Contribution to provisions	0
Contribution to impairment allowance	0
Finance income	(0)
Finance cost	0
Working Capital adjustments	
Increase in inventory	(0)
Increase in receivables	(5,358,110)
Increase in deferred income	0
Increase in payables	0
Increase in payments received in advance	0
Net cash flow from operating activities	263,610

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

18. FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

The college has exposure to credit risk, which is the risk that a counterparty will be unable to pay 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 college's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	5,358,110	5,358,110	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	263,610	0	0	0
Total	5,621,720	5,358,110	0	0

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 college has significant concentration of credit risk on amounts due from student

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.

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

(ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade payables	0	0	0	0
Total	0	0	0	0

iv) Capital Risk Management

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

	2020-2021 Kshs
Revaluation reserve	0
Retained earnings	321,720
Capital reserve	53,000,000
Total funds	53,321,720
Total borrowings	0
Less: cash and bank balances	(263,610)
Net debt (excess cash and cash equivalents)	53,058,110
Gearing	

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

19. RELATED PARTY BALANCES

Nature of related party relationships

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

- i) The National Government;
- ii) The Ministry of education
- iii) Board of governors
- iv) Management

20. EVENTS AFTER THE REPORTING PERIOD

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

21. ULTIMATE AND HOLDING ENTITY

The college is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of education. Its ultimate parent is the Government of Kenya.

22. CURRENCY

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

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

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)

Guidance Notes:

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

Accounting Officer

Name JOSEPH WAKHARA

(Enter title of head of college)

Signature 

Date.

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

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

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Steel doors for computer lab and workshops	102,400		100%			internal source
2	water slabs for tanks and toilet tiles	228,255		100%			internal source
3	power house installation	432,560		100%			internal source

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the State Department of TVET				
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>
			0	
			0	
			0	
		Total	0	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		Total	0	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		Total	0	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		Total	0	

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

Finance Manager
Total technical college

Sign -----

Head of Accounting Unit
Ministry of education.

Sign-----

TOTAL TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Develop- ment/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	0	Recurrent	0	0	0	0	0	0	0
Ministry of Education	0	Development	0	0	0	0	0	0	0
USAID	0	Donor Fund	0	0	0	0	0	0	0
Ministry of Education	0	Direct Payment	0	0	0	0	0	0	0
			0	0	0	0	0	0	0
Total			0	0	0	0	0	0	0