REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
DATE: 25 JUL 2023 DAY: TUESDAY
TABLED BY: Hon. Naomi Waqo, MP Deputy Majority Whip
CLERK AT THE TABLE: Anne Shubert

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REPORT

OF

THE AUDITOR-GENERAL

ON

LAIKIPIA EAST TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2022

Laikipia East Technical And Vocational College

Enhancing Competence

OFFICE OF THE AUDITOR GENERAL
UPPER EASTERN REGIONAL OFFICE - ISIOLO
08 MAY 2023
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LAIKIPIA EAST TECHNICAL &VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE, 2022

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

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I. KEY COLLEGE INFORMATION AND MANAGEMENT

(a) Background information

LETVC is established in a land set aside for the development of the community social amenities. The GoK through the Ministry of Education funded the construction of the college complex at a tune of ksh. 51,266,554.00.The construction was mentored by Mathenge Technical Training Institute from 2014 to 2019 when it was handed over to MoE and the college admitted its first group of students in September 2018.
The institute is headed by the Principal Mr Simon Ngatiah who has wide experience in institution management having served in various institutions in senior positions. LETVC is managed by a committed Board of Governors drawn from various fields who oversees the learning and utilization of the college resources.
LETVC has made major strides in putting in place the required infrastructure and resources to mount quality TVET programmes.
The college has currently a population of 365 students undertaking various courses. This became possible through a joint effort by the GoK by providing capitation, HelB and NG CDF bursaries which have promoted the growth and enrolment of the college

(b) Principal Activities

The principal mission of the Laikipia East Technical & vocational College is to equip trainees with technical & vocational skills for global competitiveness through innovation and technological empowerment

(c) Key Management

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

- Board of Governors
- Accounting officer/ Principal
- Deputy Principal
- Finance Officer
- Procurement officer
- Heads of departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 31th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Ngatiah N. Simon
2.	D/ Principal	Naomi M. Nga'nga
3	Registrar	Stephen N. Mwangi
	Dean of Students	Samuel Mugambi Mwindire
4	Finance Officer	Oliver Mwiti Murungi
5	HOD ICT/Business	Wesley Kipng'eno Bett

No.	Designation	Name
6	HOD Building and Civil Engineering	Juma George Otieno
7	HOD Electrical and Electronics Engineering Department	Esther Kinuthia
8	HOD Hospitality and Tourism Department	Timothy Muthamia Kanyangi

(e) Fiduciary Oversight Arrangements

Risk and audit committee activities

- To evaluate adequacy of management procedure with regard to issues relating to risk management, control and governance;
- To review external audit findings and recommendations and propose corrective and preventive actions where necessary;
- To review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics;
- To initiate special audits and or investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer; and exercise such other powers as the Board may from time to time delegate to the Committee

Finance and general operations committee activities

- To receive, consider and submit the proposed budget estimates from the various college department for approval by the Board;
- To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
- To report to the Board all matters related to finance, human resource and development;
- To ensure that accurate records are kept on the establishments in the College;
- To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the College;
- To report to the Board on the progress of physical infrastructure development of the College;
- To prepare College Development plans for an approved Year and submit to the Board; and
- To exercise such other powers as the Board may from time-to-time delegate to the Committee.

(f) College Headquarters

P.O. Box 14- 10129
Mugunda
Along Nyahururu Road (Marina Shopping Centre)

(g) College Contacts

Telephone :(254) 0721356821/0713380692
E-mail: laikipiatvc@gmail.com

(h) College Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Other Commercial Banks
Kenya Commercial Bank
1222409348
Nyeri branch

(i) Independent Auditors

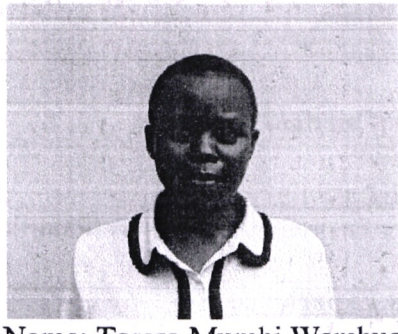
Auditor General
Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

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

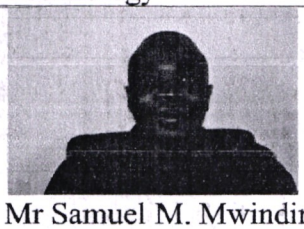
II. THE BOARDOF GOVERNORS

Director's passport-size photo and name, and key profession/academic qualifications	Director's date of birth, key qualifications and work experience
 1. Name: Ndungu Kairu Gakungu Profession: Environmental Engineer Academic Qualification: Master degree in Environmental & Bio systems Engineering	**Date of birth:** 1/1/1957 **Qualifications** Master degree in Environmental &Biosystems Eng University of Nairobi Post – Graduate Certificate in Environmental Impact Assessment and Audit Nazarene university Bachelor Of Civil Eng- Coventry university Higher Diploma in construction (highway) Kenya polytechnic Diploma in Education – Mombasa poly Diploma in civil Eng. – Mombasa poly **Work Experience** 2012 – 2013 – Director of Technical Accreditation and Quality Assurance in the MOHEST 2008- 2012- Acting Director of Technical Accreditation and Quality Assurance in the MOHEST 1998- 2007 - Assistant Director of Education, Senior Assistant Director of Education 1986 – 1998 Teacher at Mombasa Polytechnic
 2. Name: Margaret Nduhiu Profession: Educationist Qualifications: Master Degree in Education (Planning)	**Date of birth:** 1964 **Qualifications** Master Degree in Education (Planning) **Work Experience** 1989 – 2008-Trainer 2008- 2014 - Education officer 2014 to date CD- TVET
 3. Name: Judith Mbete Mutune Profession: lecturer	**Date of birth:** 22/03/1974 **Qualifications** Bachelors of Arts (Economics &Geography) UON Higher Diploma in Management of Information – UK Master degree in Economics – UON **Work Experience**

Qualifications: Master Degree in Economics	2006 – date – lecturer at Kenya Institute of Surveying and Mapping
 4. Name: Jedidah Wangechi Muthoni Profession: Consultant Qualifications: Bachelor of Science	**Date of birth:** 24/06/1989 **Qualifications** University of Eldoret 2009 – 2013 Bachelor of Science Soils and Land Use Management **Work Experience** 2013 – 2016 KCB agent banking consultant
 5. Name: Jane Wangari Wanjeru Profession: Banker/accountant Qualification: Bachelor of Commerce Degree Accounting options (MKU)	**Date of birth:** 1986 **Qualifications** Bachelor of Commerce degree accounting option (MKU) CPA(K) **Work Experience** 2016 to date CEO Tambulika Sacco 2016 Finance & Operation Manager VEP Group 2012 -2016 Finance Manager Orient Sacco 2010- 2012 Accountant Murata Sacco
 6. Name: Teresa Mumbi Wambugu Profession: Accountant Qualifications: Master degree in Business Administration (ongoing)	**Date of birth:** 1985 **Qualifications** Master degree in Business Administration (ongoing) Bachelor of Commerce degree accounting options (JKUAT) CPA(K) **Work Experience** 2019 date – Chief Accountant County Assembly of Nyeri 2014- 2019 –senior accountant county assembly of Nyeri Assistant Hansard editor Part time lecturer Kimathi University
 7. Name: HarunThuo Kamau	**Date of birth:** 02/11/1988 **Qualifications** 2012 - 2016 Dedan Kimathi University BSC in mechanical engineering Jan 2008 – Nov 2010 – Diploma in Mechanical Eng– Muranga College of Tech

Profession: mechanical engineering Qualifications: BSC in Mechanical Engineering	**Work Experience** 2014 Hyung& Co (EA) Ltd
 8. Name: Rashid Kiguru Abdalla Profession: Consultant Qualifications: Bachelor of Arts	**Date of birth:** 1966 **Qualifications** Bachelors of Art degree Moi University **Work Experience** 2015 to date CEO RASCODE enterprises 2009 - 2014 Estate Manager 2005- 2009 Telkom Kenya
 9. Name: Mr Ngatiah Simon Nderitu. Profession: Principal/Trainer Qualifications: MED, BED, HND-HRM	**Date of birth:** 1968 **Qualifications** Master degree in education management planning (UON) Bachelors of education degree (Moi University) Higher diploma in human resource management **Work Experience** 2018- date -Principal LETVC Registrar: Nyeri National Polytechnic Examination Officer: Nyeri National Polytechnic Trainer/ISO QMT Auditor: Nyeri National Polytechnic

III. MANAGEMENT TEAM

Name of the Staff	Responsibility
 Mr Ngatiah Simon Nderitu. MED, BED, HND-HRM	Principal/ Secretary: Board of Governors
 Ms Naomi M. Ng'ang'a Bachelor of Sustainable Tourism and Hospitality Management	Deputy Principal
 Mr Stephen N. Mwangi Bachelor of science information and Communication Technology	Ag. Registrar
 Mr Samuel M. Mwindire Bachelor of Science in manufacturing and Technology	Ag. Dean of Students
 Oliver Mwiti Murungi Certified Public Accountant of Kenya-CPA[K] Diploma in Technical Education	Finance Officer

 Mr Weru Jack Njogu Bachelor of Science in Mechanical and Industrial Engineering	Examination Officer
 Juma George Otieno Bachelor of Science in Civil Engineering	Ag. H.O.D Building& Civil Engineering
 Esther Kinuthia Diploma in Electrical and Electronics Engineering	Ag. H.O.D Electrical & Electronics
 Mr Timothy Kaunyangi Diploma in Catering and Accommodation	Ag. H.O.D Hospitality and College Management
 Mr. Wesley Bett Kipng'eno Bachelor of Science in Computer Science	Ag. H.O.D Business Studies and ICT

IV. CHAIRMAN'S STATEMENT

I take this opportunity to share with you my views on the key initiatives and achievements we have had over the year on economic performance, Education sector, financial performance, operations & risks associated with the college, and lastly our future outlook.

Economic Focus

In order to ensure efficient and effective provision of Technical Vocational Training, we have developed necessary policies and institutional framework to direct the running of the College in line with vision 2030, the Big 4 Agenda and Sustainable Development Goals. In the recent past, the college has experienced tremendous growth in student enrolment from which we have projected an average of 25% annual growth for 2022, based on the current 365 in 2022 from that of 300 students in 2021.

We thank the Government of Kenya for providing state-of-the- art training equipment, capitation and employment of trainers by the Public Service Commission that have greatly contributed toward increased student enrolment and improved quality of training thus enabling the institute align her graduates with regional and global trends and innovation.

Successes

During the year, we witnessed a positive growth in student enrolment owing to reduction in fees payable as a result of Government Capitation approach ensuring affordable technical and vocational training to every secondary school graduate on meeting required threshold to join post-secondary school training. The initiative of capitation by the government has so far been successful and the future looks quite bright indeed for the prospect of trainers.

During the year, the college managed to construct temporal building and housekeeping workshops, food & beverages kitchen among other projects.

In the spirit to excel, we endeavour to be a centre of Excellence in scientific, technological, training and innovation so as to produce competent graduates who are capable of integrating the acquired skills in nation building in line with Vision 2030 and the Big4 Agenda (i.e., food security, affordable housing, universal health and manufacturing). To this end, Laikipia East TVC has continuously participated in regional trade fares& exhibitions whereby trainees have exhibited their patentable innovations in all of the Big 4 Agenda that have won them many trophies. I am pleased to report that Laikipia East Technical & Vocational College (LETVC) has continued to perform well in returning exemplary examination results of the Kenya National Examinations Council (KNEC).

Challenges faced

The technical training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training outcomes.

During the year, the effect of Covid -19 pandemic brought about a financial challenge to the college. However, we faced the challenge positively and addressed the issues at hand.

Laikipia East TVC has developed an enterprise risk management policy and framework to ensure that our activities are aligned with our strategic plan objectives. The Board of Governors regularly reviews risks identified - such as competition, information & communications technology and credit and operations; and how the risks involved can be mitigated by various risk owners.

Outlook

I am indeed deeply indebted to the members of the Board of Governors for their unwavering support, commitment and futuristic outlook towards realizing the institute's objectives in line with its strategic plan and core mandate of offering market-driven programme. The College board is composed of members who have diverse qualifications and experience. I unreservedly assure all our stakeholders that we at Laikipia East TVC shall remain focused, committed and consistent in the delivery of opportunities and accountably availing of resources to both trainers and trainees within the Government framework of accountability, corporate governance and ethical sustainability. Going forward Laikipia East TVC is committed to working closely in collaboration with other like-minded entities, colleges, agencies and any other bi-lateral & multi-lateral agencies involved in technical and vocational training to ensure that our trainees continue to receive Competency Based Training.

Lastly, I would like to whole-heartedly thank my fellow members of the Board of Governors, Management, team of trainers and non-trainers, Trainees - and all other stake-holders for their co-operation, collaboration, continued support and commitment during this period under review.

Ndungu K Gakungu

Chairman: Board of Governors

V. REPORT OF THE PRINCIPAL

Laikipia east Technical & Vocational College is well placed to providing adequate and relevant training to her graduates that will enable them to contribute towards the attainment of our country's Vision 2030 strategic objectives. In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs in several ways that will ensure their competitiveness in terms of quality and relevance.

With the guidance of the Governing board, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction. Under my leadership and the overall direction of the Institute's board we were able to be in the forefront in ensuring that financial resources were utilized efficiently and effectively. Despite the many challenges brought about by economic constraints, the Institute nevertheless continued to discharge its mandate of training, research and outreach.

HIGHLIGHTS OF FY 2021/2022 PERFORMANCE

The Financial Year 2021/2022 started on a high note with the Government keen to ensure TVET Institutions absorb as many trainees as possible.

In a move to boost student enrolment, the Government emphasized on sustenance of Capitation to the tune of Ksh. 30,000/= per annum for those joining and continuing students in all TVET Institutions. Annual students fee remained capped in all Technical Institutions & National Polytechnics at Ksh. 56,420/= with the Government pledge of Ksh. 30,000/= capitation, while encouraging the needy students to apply for HELB Loans & bursaries to cater for the balance of Ksh. 26,420/=

Other notable observation include:

Students Enrolment;

FY 2021/2022 enrolment was met with a challenge of the COVID - 19 pandemic that led to disruption of the normal academic calendar. This affected the May and September intake due to change of the KCSE exam session from November to March. This kept the May Intake students waiting till the end of the FY thus closing the year at 400 students that was below the expected enrolment for the year.

Projects Undertaken

During the Financial Year under review, The Board managed to construct temporary building and housekeeping workshop, food & beverages kitchen among other projects through saving realised in the internally generated fund. These have seen the college introduce new academic programmes that have boasted the student population ultimately growing the college revenue stream.

Departmental Equipment:

The college is sincerely grateful to the Government for equipping the electrical department with the state-of-the-art Training equipment. Through the college internally generated revenue, we have managed to equip building, hospitality / institutional management, ICT and business departments with training equipment and materials.

Contribution to the Big 4 Agenda

The college continues to equip its students with the relevant competency and skills, as Artisans, Craftsmen and technicians. I have confidence that our students are well equipped with the necessary skills that strategically align them with opportunities within the country, regionally and globally at the same time contributing to the realization of the Big 4 Agenda: Health, Manufacturing, Affordable Housing and Food security.

Laikipia East Technical & Vocational College being a tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. To do so, however the college requires a lot of support from the Government and other stakeholders in terms of funding, material support and other contributions. We shall continue to appeal for such support for several years to come as the college still young and small

On behalf of the College Board and Management, I take this opportunity to thank the Government for its unequivocal support during the year under review.

I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the Management team, all staff and our trainees that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

I look forward to their continued support in the new financial year and the years ahead.

Ngatiah Simon N.

Principal/Secretary of the Board

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Laikipia East Technical & vocational college has 9 strategic pillars and objectives within its Strategic Plan for the FY 2020- 2025. These strategic pillars are as follows:

1. Enhance Access and equity;
2. To diversify training programmes;
3. To improve Institutional corporate governance / management;
4. Promote effective application of ICT;
5. To improve corporate image
6. To improve the financial base of the College;
7. To ensure the staff are adequate, competent and highly motivated;
8. Enhance collaborations and linkages;
9. Upgrade and increase the infrastructure;

Laikipia East Technical & vocational college develops its annual work plan based on the above 9 pillars. Assessment I of the Board's performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2021/2022 period for its 9 strategic pillars, as indicated in the diagram below:

Strategic	Objective	strategy	Key performance indicators	Activities	Achievements
Access and equity	Enhance Access and equity	Introduce short market-driven courses	Identified market driven courses Number of trainees enrolled Amount realized from courses	Market the identified short courses Engage trainer Identify the computers to be used to train the student	Introduced computer packages programme
Training programmes	Diversify training programmes	Introduce new market driven training programmes	Identified market driven programme Number of trainees enrolled in catering & accommodation workshop fabricated	Market the identified programme Engage trainer fabricate the workshop	Catering & accommodation course introduced

corporate governance / management	improve Institutional corporate governance / management	Develop and implement institutional policies, strategies and programs	Identified policies list of the committees draft policies approved policies	key policies identified working committee appointed to develop the policy draft policies presented to the board for approval	developed finance management manual & policy, scheme of service and career progression board charter asset management policy human resource policy /manual
effective application of ICT	Promote effective application of ICT	Promote the use of ICT institution wide	developed online teaching platform number of programme	Develop Online teaching platform	started online learning on one way of curbing the spread of COVID 19
Financial base of the College	improve the financial base of the College	Establish Income Generating Activities (IGA)	Identified IGA Fabricated cafeteria tender document	Market the college IGA activities Fabricate the cafeteria Manage the IGA Prepare and print tender documents	established the following IGA • sale of tender documents • sale of foodstuffs in the college cafeteria • part-time computer packages
adequate, competent and highly motivated staff	ensure the staff are adequate, competent and highly motivated	Recruit qualified staff	Advertised positions List of the shortlisted candidate Skills gap analysis	Advertise position for BOG staff Liaise with the PSC for meeting gaps in teaching staff	advertisement, short listing and recruitment of the following positions were done
collaborations and linkages	Enhance collaborations and linkages	Strengthen existing collaborations and linkages	MoU List of industries the college is collaborating with list of students attached to those industries	Identify industries to collaborate with Attach students to those industries MoU with the industries	Developed collaboration with following companies where our college trainee can be attached and also offered internship

increase the infrastructure	Upgrade and increase the infrastructure	Improve the physical facilities and equipment	Budget for the project Approved BQ Project management committee	prepare budget for the project prepare BQs for project manage the project	fabricated Building and Electrical Engineering workshop/sheds F&B workshop (Kitchen and restaurant physical structure) created more office space by partitioning the proposed boardroom

VII. CORPORATE GOVERNANCE STATEMENT

Laikipia East TVC Board adheres to principles of openness, integrity and accountability in its stewardship f the College's affairs. It recognizes the developing nature of corporate governance and assesses the College's compliance with generally accepted corporate governance practice on a regular basis, directly and through its full board and Board committees. The role of the Board is to ensure conformance by focusing on and providing the College's overall strategic direction and policy-making as well as performance review through accountability and ensuring appropriate monitoring and supervision. The Board is also responsible for the overall system of internal control and for reviewing its effectiveness. The controls are designed to both safeguard the College's assets and ensure the reliability of financial information.

The College Board meets regularly to consider issues of operational and strategic importance to the College. Below are the key features of the existing corporate governance practices within Laikipia East TVC which are reviewed and improved on a regular basis: -

1. College Board

The College Board consists of the Chairman and eight members, who have been appointed in accordance with the TVET Act (2013). The full College Board meets at least four times a year and the board committee members meet as the need arises.

The Board is responsible for setting the direction of the College through the establishment of strategic objectives, key policies and approval of budgets. It monitors the implementation of strategies and policies through a structured approach of reporting by management and consequent accountability.

The Board is actively involved and brings strong independent judgment on its deliberations and discussions. The College Board members have diverse skill set, a wide range of knowledge and experience of college setting that is applied to the formulation of strategic objectives and decision-making. The Board meets regularly and retains full and effective control over the College in all strategic, financial, operational and compliance areas. During the year, the Cabinet Secretary for Ministry of Education approved list of the new board members submitted after the expiry of the term of the former College Board. The College Board held the following full Board meetings during the 2021/2022 financial year:

2021/2022 attendance of the BoG Meetings

Full BoG meeting

S no	Name	Designation	16/7/2021	20/11/2021	ATTENDANCE
1)	Ndungu K Gakungu	BoG Chairman	√	√	3
2)	Jane Wanjeru	Member	√	√	3
3)	Mutune J.M	Member	√	√	3
4)	Rashid K.Abdallah	Member	√	√	3
5)	Harun Thuo	Member	√	√	3
6)	Teresa Mumbi	Member	√	√	3
7)	Jedidah Muthoni	Member	√	√	3
	Total Attendance		7	7	

Chairman Honorarium

Name	18/8/21	15/9/21	29/9/21	26/10/21	1/11/21	11/11/21	29/12/21	09/2/22	03/2/22	25/06/22	30/6/22
Ndungu K Gakungu	√	√	√	√	√	√	√	√	√	√	√

Finance and human resource management

S no	Name	Designation	28/12/2021	25/6/2022	ATTENDANCE
1)	Jane Wanjeru	Chairperson	√	√	2
2)	Mutune J.M	Member	√	√	2
3)	Rashid K.Abdallah	Member	√	√	2
4)	Total Attendance		3	3	

OtherBoG meeting

S no	Name	Designation	Purpose	13/12/2021	1/11/2021
1)	Ndungu K Gakungu	BoG Chairman	BoG Induction	√	
2)	Jane Wanjeru	Member	BoG Induction	√	
3)	Mutune J.M	Member	BoG Induction	×	
4)	Rashid K.Abdallah	Member	BoG Induction	√	
5)	Harun Thuo	Member	BoG Induction	√	
6)	Teresa Mumbi	Member	BoG Induction	√	
7)	Jedidah Muthoni	Member	BoG Induction	√	
8)	Jedidah Muthoni	Member	PC Signing		√

BOARD COMMITTEES

To assist the Board in the discharge of its responsibilities, Board committees have been established. All the Board committees meet at least two times a year. The committees are as follows: -

1. FINANCE AND GENERAL OPERATIONS COMMITTEE ACTIVITIES

Responsibilities:

1. To receive, consider and submit the proposed budget estimates from the various college department for approval by the Board;
2. To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
3. To report to the Board all matters related to finance, human resource and development;
4. To ensure that accurate records are kept on the establishments in the College;
5. To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the College;
6. To report to the Board on the progress of physical infrastructure development of the College;
7. To prepare College Development plans for an approved period and submit to the Board; and
8. To exercise such other powers as the Board may from time-to-time delegate to the Committee.

2. RISK ANDAUDIT COMMITTEE

Responsibilities:

a) To evaluate adequacy of management procedure with regard to issues relating to risk management, control and governance;
b) To review external audit findings and recommendations and propose corrective and preventive actions where necessary;
c) To review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics;
d) To initiate special audits and or investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer; and
e) To exercise such other powers as the Board may from time-to-time delegate to the Committee

3. Board Members' Remuneration

No board remuneration but board members are reimbursed transport and accommodation costs whenever they attend board meetings.

4. Succession Plan

A board of Governors has a succession plan of three years and a member can serve for a maximum of two terms

5. Board Charter

Laikipia East TVC Board has a board charter. The Board is also guided by Mwongozo Code of Governance.

6. Appointment and removal of Board members

Board members are appointed by the Cabinet Secretary. The membership of the Board of Governors comprises of-

(a) chairperson

(b) representative of the Principal Secretary in the Ministry responsible for TVET

(c) representative of the county Governor of the county within which the institution is located; and

(d) six other persons appointed on the basis of their knowledge and experience

A member of a Board of Governors may at any time resign by giving notice in writing to the cabinet Secretary.

7. Induction and Training

Current Laikipia East TVC Board of governors was inducted within the month of 13th December 2021

8. Board and Board Members' Performance

The Board performance evaluation exercise was done in July, 2022.

9. Conflict of interest

In every Board meeting held by the Laikipia East TVC Board, Members are advised to declare conflict of interest on matters in the agenda and register the same in the conflict-of-interest register book.

10. Ethics and Conduct

Laikipia East College Board Members uphold the highest standard of ethics and conduct while executing their mandate.

11. Governance Audit

The Board has put in place a combination of processes and structures to inform, direct, manage and monitor the activities of the College towards the achievement of its objectives

12. Internal Controls

The College has implemented and maintained internal controls designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard and maintain accountability of the College's assets.

Such controls are based on Law, Government & College regulations, Policies and circulars and are implemented by trained personnel with appropriate segregation of duties. The effectiveness of the system of internal controls is monitored regularly through operational meetings

13. Going Concern

The College Board confirms that Laikipia East College has adequate resources to continue in operation for the foreseeable future and therefore, the continued use of *going* concern as a basis of preparing the financial statements.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

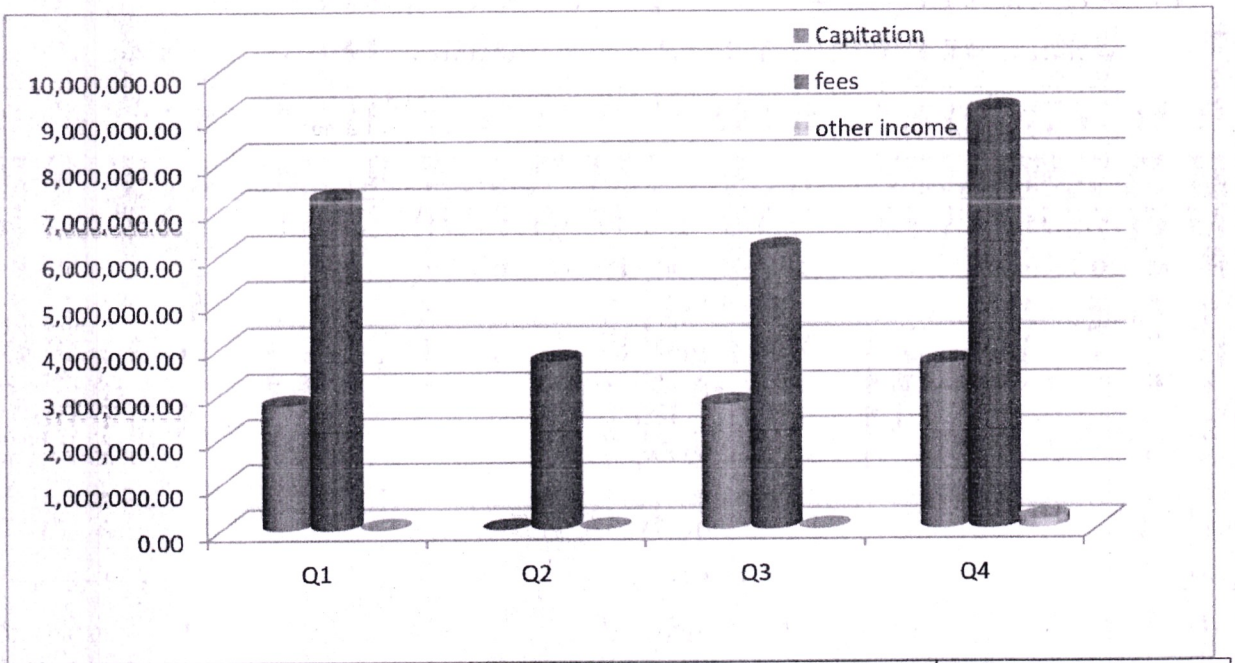
Laikipia East Technical &Vocational College being a key driver to the attainment of the BIG 4 agenda ensures that it is consistently delivering maximum value to her trainees through; Competency Based Curriculum, Innovations and Linkages to the job market strategically aligning them with opportunities nationally, regionally and globally.

The Institution has unrelenting focus on improving and maintaining excellent Technical and Vocational Training across her specialties.

The college's operational and financial performance

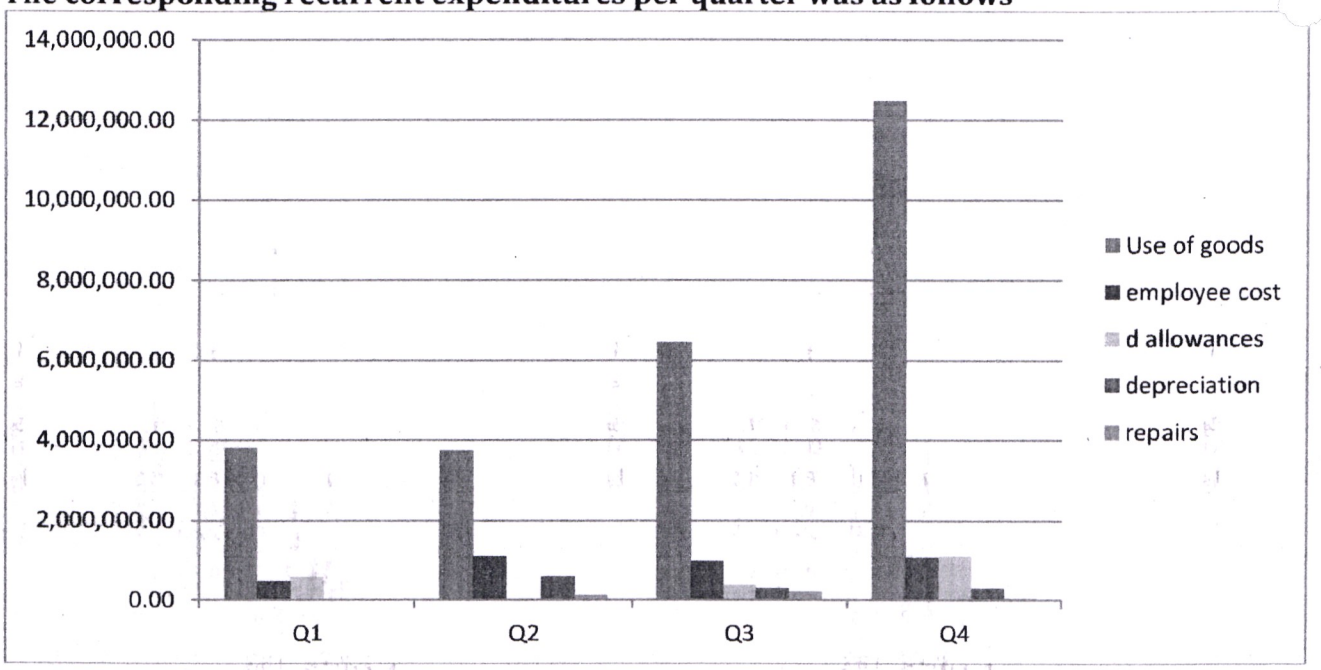
During the 2021/2022 financial year, the operations of the institution both current and development were affected by delay in receipt of the capitation where the third quarter was received at the end of the fourth quarter and the quarter 4 capitation of approximate kshs 3,622,500.00has not been received. This delayed the implementation of the fourth quarter budget.

The revenue collected per quarter was as follows:



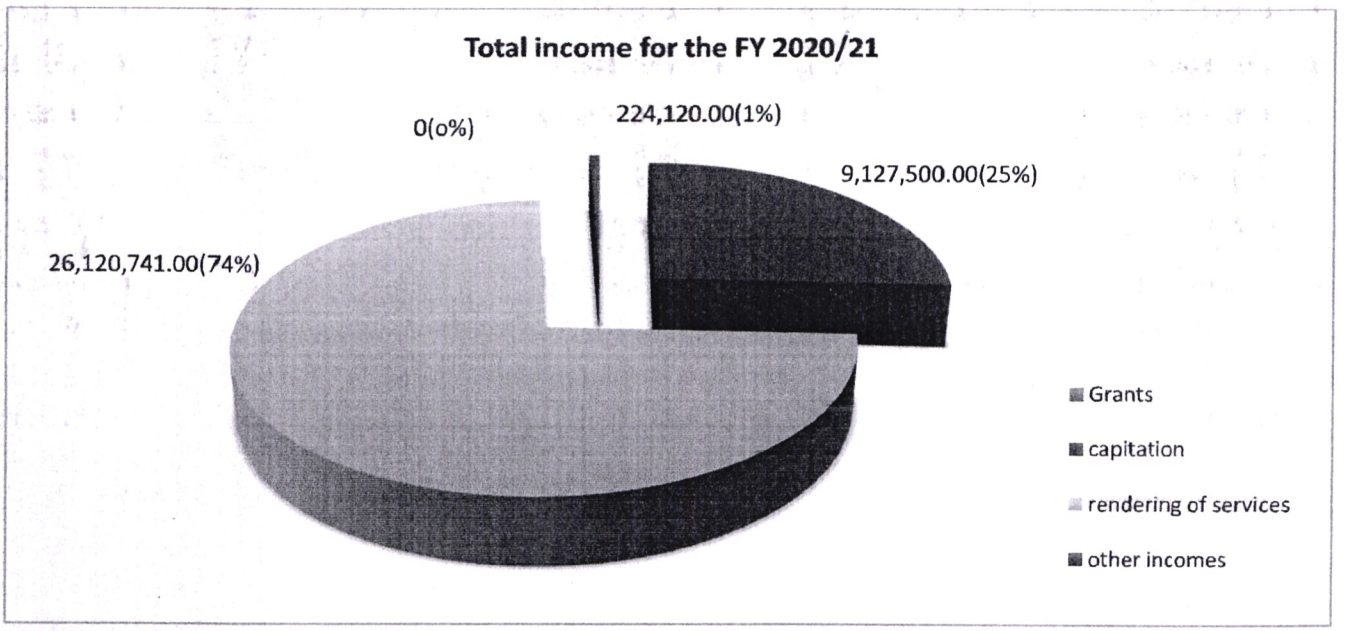
	Capitation	Fees	Other Income
Q1	2,752,500.00	7,216,417.00	9,100.00
Q2	0.00	3,695,592.00	6,230.00
Q3	2,752,500.00	6,116,235.00	13,230.00
Q4	3,622,500.00	9,092,497.00	195,560.00

The corresponding recurrent expenditures per quarter was as follows



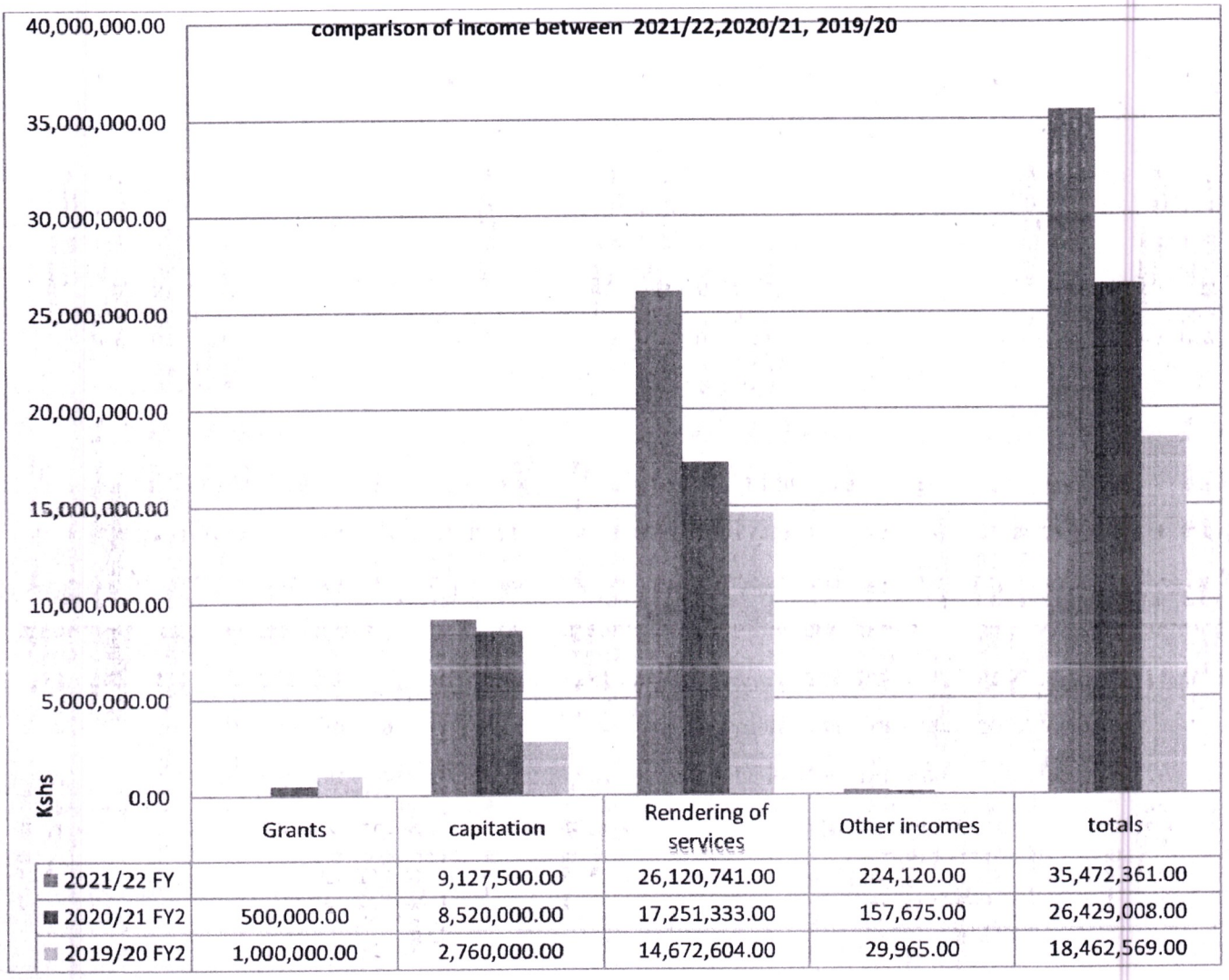
	Use Of Goods	Employee Cost	D. Allowances	Depreciation	Repairs
Q1	3,804,832.00	463,350.00	589,000.00	0.00	14,500.00
Q2	3,740,349.00	1,103,000.00	0.00	595,431.53	129,350.00
Q3	6,461,019.00	970,500.00	375,880.00	297,715.76	218,685.00
Q4	12,478,736.32	1,080,413.00	1,095,880.00	297,715.77	36,882.00

INCOME ANALYSIS:



During the 2021/2022 financial year, Government grants contributed to 0 %, capitation (25%) of the total recurrent incomes while tuition and its other incomes contributed to 74% and 1 % respectively. The College mostly depended on fees and capitation to execute its operations.

Comparison of Income between 2021/22/2020/21 and 2019/2020



	Grants	capitation	Rendering of services	Other incomes	totals
2021/22 FY		9,127,500.00	26,120,741.00	224,120.00	35,472,361.00
2020/21 FY2	500,000.00	8,520,000.00	17,251,333.00	157,675.00	26,429,008.00
2019/20 FY2	1,000,000.00	2,760,000.00	14,672,604.00	29,965.00	18,462,569.00

There was a substantial improvement of incomes in 2022/2021 financial year compared to 2020/2021, 2019/2020 financial year in rendering of services and in grants & capitation subsidy disbursements.

Absorption of allocated fund

The total revenue and total recurrent /capital expenditure as at the end of the quarter was ksh.38, 776,468.00 and kshs. 37,748,557.32 Respectively this translates 97% absorption of the allocated funds.

Current ratio

Total college current asset is kshs. 9,470,447.83_against current liabilities of kshs3,354,693.00

Current ratio = 9,470,447.83_/3,354,693.00 (current asset/current liabilities

Current ratio =2.82

The college current ratio is 2.82 meaning that it's in a position to meet its short-term financial obligations

Operation performance
(i) Performance contract

LETVC signed a performance contract with the government of Kenya through the Ministry of Education which is a key accountability tool that endeavours to improve the performance of public officers. The contract runs from 1st July, 2021 to 30th June, 2022.

The college has instituted a PC committee which comprises of six members who are PC coordinator who chairs the committee and other five committee members. The committee work on behalf of the principal in developing PC, lead PC negotiation and perform both quarterly and annual reporting of PC implementation through GPCIS.

The performance contract reporting is done on quarterly bases by 30th of the following month after of the reporting period

Several achievements have been made among them

a) Ensuring that the pending bills do not exceed 1% of the college budget
b) Developing citizen service delivery charter and placing strategically at the college entrance and in various service points.
c) Increase in the student enrolment as result of aggressive marketing
d) Fabrication of the following workshops
   i) Fabrication of electrical engineering workshop
   ii) Fabrication of carpentry and joinery workshop
   iii) Fabrication of Laundry workshop

ii) Academic performance

In the FY 2021/ 2022, LETVC has committed itself to increase pass rate in technical examination from 65% to 67% and in 52% to 53% in business courses.

KNEC Examination Analysis for the Year 2021 November Series

TECHNICAL CENTER PERFOMANCE

S/No	Course Name	Course Level (Dip, Craft)	Entry (No)	Distinction (No)	Credit (No)	Pass (No)	Refer (No)	Fails (No)	Absent	C.R.N.M	% Pass
	TOTAL		64	0	24	13	23			1	57.81%

BUSINESS CENTER PERFOMANCE

S/No	Course Name	Course Level (Dip, Craft)	Entry (No)	Distinction (No)	Credit (No)	Pass (No)	Refer (No)	Fails (No)	Absent	C.R.N.M	% Pass
	TOTAL		48	2	24	7	10	3	1	0	65%

The average performance of the institution in the **K.N.E.C November 2021** series was **57.81%** for technical centre.

The average performance of the institution in the **K.N.E.C November 2021** series was **65%** for business centre.

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Sustainability strategy and profile

Environmental performance

The Institution aims to ensure that the needs of the population are met without the risk of compromising the needs of future generations. The institution commits to reduce environmental impact through greening programme that involves planting of trees and flower during rain seasons. The college also manages various types of waste my setting waste pins at various strategic points within the college. Our research, teaching and activities are guided by our commitment to environmental sustainability. We also have a number of Technological areas for our research, teaching, community engagement and processes, allowing us to focus and measure our efforts in making a difference to society.

Employee welfare

Laikipia East Technical & Vocational College focuses on the importance of anyone directly or indirectly involved in the core mandate of training. We encompass the development of skills and human capacity to support the functions and sustainability of the Institution and to promote the wellbeing of communities and society.

There is a Human resource manual that guides on hiring, appraisal and training of staff. This manual also ensures that our staff are trained and well equipped to handle all emerging issues.

We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviours of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

The college has initiated the following programmes

Activity	Description
Better Training	Optimizing training operations to meet ongoing social and sustainability objectives. Providing opportunities for us to grow as an institute by becoming involved in our local community
Supported Staff	Promoting initiatives that support staff and their families, beyond the provision of employment. Promoting initiatives that recognize the contribution of the students to the community.

Market place practices-

Laikipia East Technical & Vocational College outline its efforts to:

(a) Responsible competition practice - Our Institution ensures there is responsible competitiveness by making sustainable development count in global and local markets. Through providing courses that suits the markets and that reward business practices that deliver improved social, environmental, and economic outcomes.

(b) Research on market demand has helped us offer comes that would shape business strategies and practices, and the context in which they operate, to take explicit account of their social, economic, and environmental impacts.

(c) Responsible Supply chain and supplier relations- In this regard the institution place its adverts for tenders on the daily's and on its website for access to all. Payment to suppliers is done within the limited period of less than Ninety days' other guidelines like President's directive on Special category tender opportunities id adhered to.

(d) Responsible marketing and advertisement- In order to ensure we have ethical balance; we reach out to students beyond boundaries by advertising on our website and other national media. We also get students placed to college by KUCCPS

(e) Product stewardship- The Institution ensures that all the courses offered are accredited by the relevant bodies e.g., KNEC, NITA, CDACC. Students are also guided on ethical practices in relation to their professional field.

Corporate Social Responsibility / Community Engagements

Laikipia East Technical & 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, which is founded on our nine pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence.

Below is a brief highlight of our achievements in each pillar

Sustainability strategy and profile -

1 The Institution's strategic plan communicates a desire to strengthen our efforts towards sustainability, becoming genuinely world class in how we respond as a tertiary institution. While sustainability has come a long way at the Institution in recent years, we recognize the need to coordinate and scale up our efforts. We will be bold, integrating sustainability principles and practice across all our departments and throughout all our activities: administration and governance, operations, research, teaching & learning, community engagement and outreach activities.

The Institution Strategic Plan 2020 to 2025 sets out the vision, mission, core values and strategic imperatives that guide activities at the Institution. This Strategic plan clarifies our commitment to enable a consistent, productive focus on sustainability, and to better communicate our efforts at all levels of the organization.

It reflects our commitment to see sustainability embedded as part of the core ethos at the Institution, and builds on groundwork and activities underway across the organization.

We work together, celebrate progress where staff and students are already leading the way, and challenge others to consider how sustainability connects to their work, can enhance their practices, and how they can contribute personally to our sustainability transition.

The Office of Sustainability will provide an annual update on the Institution's progress towards sustainability.

X. .REPORT OF THE BOARD OF GOVERNORS

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

Principal activities

The principal mission of the Laikipia East Technical & vocational College is to equip trainees with technical & vocational skills for global competitiveness through innovation and technological empowerment

Results

The results of the college for the year ended June 30, 2022 are set out on pages 1 to 5.

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page vi, vii and viii. During the year, no member of the board who retired or resigned

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

By Order of the Board

Secretary of the board
Laikipia East Technical & Vocational College
P.O Box 14- 10129
Mugunda

XI. STATEMENT OF BOARD OF GOVERNORSMEMBERS' 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, 2013require the board members to prepare financial statements in respect of that college, which give a true and fair view of the state of affairs of the college at the end of the financial year/Year and the operating results of the college for that year/Year. The board members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The board members are also responsible for safeguarding the assets of the college.

The board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (Year) ended on June 30, 2022. This responsibility includes:

(i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting Year;

(ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the college;

(iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;

(iv) Safeguarding the assets of the college;

(v) Selecting and applying appropriate accounting policies; and

(vi) Making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for the college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act .The board members are of the opinion that the college's financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30, 2022, and of the college's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The college's financial statements were approved by the Board on 16th July 2022 and signed on its behalf by:

Name Ndungu K Gakungu

Signature

Chairperson of the Board

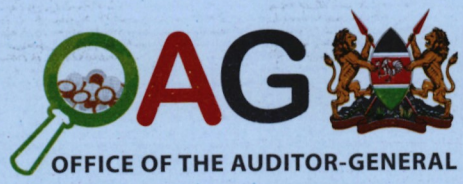
Name Ngatiah Simon N.

Signature

Accounting Officer/Principal

REPUBLIC OF KENYA

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



Enhancing Accountability

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

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

PREAMBLE

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

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on the Effectiveness of Internal Control, 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.

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 Laikipia East Technical and Vocational College set out on pages 1 to 26, which comprise of the statement of financial

position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Laikipia East Technical and Vocational College as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Educational and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unvalued and Disputed Property, Plant and Equipment

Note 18 to the financial statements reflects Kshs.56,859,033 in respect to property, plant and equipment. However, review of documents provided for audit revealed that, the College inherited buildings, machinery, office equipment and furniture and fittings of unknown value from the Ministry of Education, Science and Technology which are yet to be valued and included as part of the College assets.

Further, included in the property, plant and equipment balance of Kshs.56,859,033 is an amount of Kshs.3,900,000 in respect of the value of land measuring approximately thirteen (13) acres where the College is located. According to the ownership documents presented for audit, this land is registered in the name of Laikipia East Vocational Institute which is a sole proprietor business and the process of transferring the land to the College has stalled because Laikipia East Vocational Institute was enjoined in a land dispute case filed in the environment and land court at Nyeri where the petitioners being Gatarakwa Farmers limited are claiming compensation for the same parcel of land.

In the circumstances, the ownership, accuracy and completeness of property, plant and equipment balance of Kshs.56,859,033 could not be confirmed.

2. Receipts Excluded from the Financial Statements

The statement of financial position and as disclosed in Note 14 to the financial statements reflects cash and cash equivalents balance of Kshs.3,189,330. However, direct deposits amounting to Kshs.202,590 in a bank account had not been posted in the cashbook contrary to Section 90(3) of the Public Finance Management (National Government) Regulations, 2015 which require Accounting Officers to ensure that discrepancies noted

during bank reconciliation exercise are investigated immediately and appropriate action taken including updating the relevant cash books.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.3,189,330 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects an approved receipts budget of Kshs.29,632,500 and actual receipts of Kshs.21,969,661 resulting to a revenue shortfall of Kshs.7,662,839 or 26% of the budget. Similarly, the College spent Kshs.19,924,507 against an approved budget of Kshs.29,632,500 resulting to an under-expenditure of Kshs.9,707,993 or 33% of the budget

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

As required by Article 229(6) of the Constitution and 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

1.0 Non-Remittance of National Hospital Insurance Fund (NHIF) and National Social Security Fund (NSSF)

Note 10 to the financial statements reflects employee costs totalling to Kshs.3,615,163. However, statutory deductions totalling to Kshs. 204,000 were not recovered and remitted to NHIF and NSSF contrary to Section 19(4) of Employment Act, Cap 226, which provides that an employer who deducts an amount from an employee's remuneration in accordance with the Act shall pay the amount so deducted in accordance with the time period and other requirements specified in the law, agreement, court order or arbitration as the case may be.

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

2.0 Un-Updated Fixed Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.56,859,033. However, the fixed assets register provided for audit lacked key information including serial numbers of items, condition, dates of acquisition, location, value of the assets, additions made during the year under review, depreciated values, and net book values and thus, the register may not be a reliable document for effective control of assets and preparation of financial statements contrary to Section 72. (1) of the Public Finance Management Act, 2015 which provides that the accounting officer for a National Government entity shall be responsible for the management of the entity's assets and liabilities; and Manage those assets in a way which ensures that the National Government entity achieves value for money in acquiring, using and disposing of those assets.

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

3.0 Lack of Approved Salary Structure

Note 10 of the Financial Statements reflects Kshs.3,615,163 in respect to employee costs. However, approved salary structure and staff establishment were not maintained contrary to Section C 2(1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which stipulates that public service salary structure will be based on the grading levels spelt out in the various career progression guidelines. In the absence of a salary structure, the basis for determining the salaries of staff members could not be ascertained.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 3000 and 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the

activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROL, RISK MANAGEMENT AND GOVERNANCE

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Control, 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 control, risk management and governance were not effective.

Basis for Conclusion

Lack of an Internal Audit Function

Review of the governance structure revealed that the College does not have an internal audit function in place contrary to Section 73 (1a) of the Public Finance Management Act, 2012 which provides 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.

In the absence of this function the College lacks a mechanism to oversee the development, performance and effectiveness of internal control over financial reporting, performance and compliance with laws.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 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 Accruals 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 overall 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 follow 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 Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal control, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 control may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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

16 June, 2023

XIII: STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021-2022	2020-2021
Revenue		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments (Grants)	6	0.00	500,000.00
Total Revenue from Non exchange transaction		**0.00**	**500,000.00**
Revenue from exchange transactions			
Rendering of services	8	21,745,541.00	15,119,033.00
Other incomes	9	224,120.00	157,675.00
Total Revenue from exchange transactions		**21,969,661.00**	**15,276,708.00**
Total revenue		**21,969,661.00**	**15,776,708.00**
Expenses			
Goods and Services	10	12,360,491.00	8,910,617.00
Employee costs	11	3,615,163.00	1,952,861.00
Remuneration of directors	12	1,065,880.00	581,500.00
Depreciation and amortization expense	13	1,174,096.00	1,243,162.00
Repairs and maintenance	14	406,827.00	427,925.00
Total expenses		**18,622,457.00**	**13,116,065.00**
Surplus/deficit for the Year		**3,347,204.00**	**2,660,643.00**

(The notes set out on pages 6 to 28 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 5 were signed by:

Ndungu K Gakungu	Oliver Mwiti Murungi	Ngatiah Simon N.
.....	.....	.....
Chairman of Board	**Finance Officer** **ICPAK NoASSOC/2605**	**Principal**
Date: 28/09/2022	**Date: 28/09/2022**	**Date: 28/09/2022**

XIV. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE,2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
ASSET			
Current assets			
Cash and cash equivalents	15	3,189,330.00	2,161,419.00
Receivables from exchange transactions	16	5,627,073.00	500,000.00
Receivables from non-exchange transactions	17		4,243,867.00
Inventory	18	654,045.00	0.00
Total Current assets		**9,470,448.00**	**6,905,286.00**
Non-current assets			
Property, plant and equipment	19	56,859,033.00	54,606,388.00
Total Non-current assets		**56,859,033.00**	**54,606,388.00**
Total assets		**66,329,481.00**	**61,511,674.00**
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	3,087,728.00	1,825,040.00
Refundable deposits by customers	22	266,965.00	59,050.00
Total current liabilities		**3,354,693.00**	**1,884,090.00**
Net assets			
Reserves			
Accumulated surplus/deficit		10,844,546.00	6,323,246.00
Capital Fund		52,130,242.00	53,304,338.00
Total net assets and liabilities		**66,329,481.00**	**61,511,674.00**

The Financial Statements set out on pages 1 to 5were signed on behalf of the College Board of Governors by:

Ndungu K Gakungu	Oliver Mwiti Murungi	Ngatiah Simon N.
---	---	---
Chairman of Board of Governors	**Finance Officer** ICPAK No ASSOC/2605	**Principal**
Date. : **28/09/2022**	Date : **28/09/2022**	Date: **28/09/2022**

XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2018				57,195,000.00	57,195,000.00
Revaluation gain				-	-
Fair value adjustment on quoted investments				-	-
Total comprehensive income			567,025.00		567,025.00
Capital/development grants received during the year				-	
Transfer of depreciation/amortisation from capital fund to Retained earnings			1,378,035.00	(1,378,035.00)	-
At June 30, 2019			**1,945,060.00**	**55,816,965.00**	**57,762,025.00**
At July 1, 2019			**1,945,060.00**	**55,816,965.00**	**57,762,025.00**
Revaluation gain					
Fair value adjustment on quoted investments					
Total comprehensive income			-795,084.00		-795,084.00
Capital/development grants received during the year					
Transfer of depreciation/amortisation from capital fund to Retained earnings			1,269,465.00	-1,269,465.00	
At June 30, 2020			**2,419,441.00**	**54,547,500.00**	**56,966,941.00**
At July 1, 2020			**2,419,441.00**	**54,547,500.00**	**56,966,941.00**
Revaluation gain					
Fair value adjustment on quoted investments					
Total comprehensive income			**2,660,643.00**		**2,660,643.00**
Capital/Development grants received during the year					
Transfer of depreciation/amortisation from capital fund to retained earnings			1,243,162.00	(1,243,162.00)	
At June 30, 2021			**6,323,246.00**	**53,304,338.00**	**59,627,584.00**
At July, 1st 2021			**6,323,246.00**	**53,304,338.00**	**59,627,584.00**

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
Revaluation gain					
Fair value adjustment on quoted investments					
Total comprehensive income			3,347,204.00		**3,347,204.00**
Capital/Development grants received during the year					
Transfer of depreciation/amortisation from capital fund to retained earnings			1,174,096.00	-1,174,096.00	
At June 30, 2022			**10,844,546.00**	**52,130,242.00**	**62,974,788.00**

XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2021-2022 Kshs	2020-2021 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government: Grants	6		500,000.00
Rendering of services- Fees from students	8	21,745,541.00	15,119,033.00
Other income	9	224,120.00	157,675.00
Total Receipts		**21,969,661.00**	**15,776,708.00**
Payments			
Use of goods and services	10	3,615,163.00	1,952,861.00
Compensation of employees	11	12,360,491.00	8,910,617.00
Other payments	23	1,472,707.00	1,009,425.00
Total Payments		**17,448,361.00**	**11,872,903.00**
Net cash flow before working capital changes		**4,521,300.00**	**3,903,805.00**
Changes in working capital		**66,648.00**	**1,265,834.00**
Net Cash Flows from operating activities	24	**4,454,652.00**	**2,637,971.00**
Purchase of property, plant, equipment and intangible assets		3,426,741.00	1,302,050.00
Net cash flows used in investing activities		**(3,426,741.00)**	**(1,302,050.00)**
Cash flows from financing activities			
Proceeds From Borrowing			
Repayment Of Borrowings			
Deposits receipts			
Net Increase/(Decrease) in Cash and Cash equivalents			
Cash and Cash equivalents at 1 July		1,027,911.00	1,335,921.00
Cash and Cash equivalents at 30 June		2,161,419.00	825,498.00
Cash and cash equivalents at 30th June		**3,189,330.00**	**2,161,419.00**

The Financial Statements set out on pages 1 to 5 were signed by:

Ndungu K Gakungu	Oliver Mwiti Murungi	Ngatiah Simon N
.....	.....	.....
Chairman of Board	**Finance Officer**	**Principal**
	ICPAK No ASSOC/2605	
Date: 28/09/2022	**Date: 28/09/2022**	**Date: 28/09/2022**

XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTSFOR THE YEAR ENDED 30 JUNE22

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Rendering Of Services	29,492,500.00		29,492,500.00	21,745,541.00	-7,746,959.00	-26
Other Income	140,000.00		140,000.00	224,120.00	84,120.00	60
Total	**29,632,500.00**		**29,632,500.00**	**21,969,661.00**	-7,662,839.00	-26
expenses						
Use Of Goods & Services	11,992,500.00		11,992,500.00	12,360,491.00	-367,991.00	-3
Employees Cost	5,365,000.00		5,365,000.00	3,615,163.00	1,749,837.00	33
Repairs & Maintenance	550,000.00		550,000.00	406,827.00	143,173.00	26
Directors Allowance	1,445,000.00		1,445,000.00	1,065,880.00	379,120.00	26
Assets	10,280,000.00		10,280,000.00	1,302,050.00	8,977,950.00	87
Depreciation and amortization expense	0.00		0.00	1,174,096.00	-1,174,096.00	33
Totals	**29,632,500.00**		**29,632,500.00**	**18,622,457.00**	**9,707,993.00**	

Budget notes

1. The college received capitation of 367 instead of 500 trainees as budgeted
2. The college trainees received capitation, HELB and NG CDF bursary
3. The college under spent in the employee's costs, remuneration of directors and repairs and maintenance as compared to budget estimates. This is a result of cost cutting measures the college has put in place.
4. Comparison of the budget and the actual is on cash bases while the statement of financial performance is on accrual bases

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Laikipia East Technical & Vocational College is established by and derives its authority and accountability from TVET Act of 2013. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal mission of the Laikipia East Technical & vocational College is to equip trainees with technical & vocational skills for global competitiveness through innovation and technological empowerment

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 land and property at fair value 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 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 TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Impact
Other Improvements to IPSAS	**Applicable: 1st January 2021:** 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. 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. c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. 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.

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	**Applicable: 1st January 2023:** The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of the college's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: •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 ancollege's risk management strategies and the

Standard	Effective date and impact:
	accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	**Applicable: 1st January 2023** The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting 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: (a) the nature of such social benefits provided by the college; (b) the key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the college's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	**Applicable: 1st January 2023:** 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

The 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 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 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 the courses offered and the length of the academic programme.

b) Budget information

The original budget for FY 2021/2022 was approved by the Board or Board in Jul, 2020.There was no Subsequent revisions or additional appropriations made to the approved budget

The college budget is prepared on the same basis to the actual income and expenditure. 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 has been presented under note no 25 of these financial statements.

c) Taxes

Current income tax

The college is exempt from paying taxes as per income tax Act.

d) Investment property

College does not have any investments on properties.

e) Property, plant and equipment

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

Depreciation of assets has been provided at cost of asset regardless of when the asset was bought at the following rates

a) Land and buildings 2.0%
b) Furniture and fittings 12.5%
c) Computers and printers 33.3%
d) Plant and equipments12.5%
e) Other assets 12.5%

f) Leases

The College does not hold any asset under lease.

g) Intangible assets

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

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

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 College.

j) Nature and purpose of reserves

The College has not maintained any reserves

k) Changes in accounting policies and estimates

The 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.

l) Employee benefits

The college does not have any Retirement benefit plans for its employees and directors

m) 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 Principal, the Board of Governors and senior management team.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at various commercial banks at the end of the financial year.

o) Comparative figures

Comparative figures for the previous financial year have not been amended or reconfigured to conform to the required changes in presentation.

p) Subsequent events

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

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the 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 Year. 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 Years.

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 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:

(a) The condition of the asset based on the assessment of experts employed by the college
(b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
(c) The nature of the processes in which the asset is deployed
(d) Availability of funding to replace the asset

(e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. (a)TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	Year ended June 30th 2022	Year ended June 30th 2021
	KShs	KShs
Unconditional grants	0.00	500,000.00
Total government grants and subsidies	**0.00**	**500,000.00**

7. RENDERING OF SERVICES

Description	Year ended June 30th 2022	Year ended June 30th 2021
	KShs	KShs
Emolument	4,582,251.00	1,920,565.00
L.T. T	1,030,750.00	382,655.00
E.W.C	811,475.00	298,780.00
R.M. I	442,065.00	159,250.00
Admin	2,553,747.00	954,938.00
Insurance	211,270.00	77,155.00
Student Welfare	209,955.00	73,091.00
Medical	204,425.00	68,530.00
KNEC	0.00	883,086.00
NITA	0.00	175,770.00
Attachment	647,255.00	211,654.00
S.E.S/Tuition	9,421,688.00	9,502,009.00
CID	137,790.00	33,750.00
Bursary	1,492,870.00	377,800.00
Total revenue from the rendering of services	**21,745,541.00**	**15,119,033.00**

8. OTHER INCOME

Description	Year ended June 30th 2022	Year ended June 30th 2021
	Kshs	Kshs
Fabrication services	0.00	88,605.00
Sale of tender documents	12,560.00	32,000.00
Hospitality	121,720.00	16,170.00
Computer Packages	89,840.00	20,900.00
Total Revenue From other incomes	**224,120.00**	**157,675.00**

9. USE OF GOODS AND SERVICES

Description	Year ended June 30th 2022	Year ended June 30th 2021
	KShs	KShs
Activity	530,983.00	0.00
Equipment	247,455.00	262,775.00
Training Materials	4,479,727.00	4,224,958.00
Kenya National Examination Council	0.00	905,870.00
National Industrial Training Authority	0.00	97,000.00
Technical Vocational Training Authority	145,000.00	109,140.00
Subsistence allowances	1,413,201.00	592,495.00

Transport	428,200.00	275,560.00
Hospitality	604,370.00	318,102.00
Marketing	62,290.00	120,330.00
KATTI	270,920.00	160,000.00
Computer packages	13,074.00	0.00
Admin ex	882,979.00	265,865.00
Fees refund	64,615.00	19,200.00
Medical	1,000.00	4,000.00
Bank Charges	5,200.00	4,612.00
EWC	376,508.00	429,539.00
COVID 19	7,000.00	155,665.00
Postal Charges	3,080.00	18,890.00
CBD	91,000.00	14,000.00
Student Welfare	22,220.00	9,766.00
Internet	92,690.00	99,502.00
Stationery	212,607.00	266,088.00
Newspaper	19,980.00	21,960.00
Telephone	260,919.00	157,500.00
Bursary	1,492,870.00	377,800.00
KRA WHT	750.00	0.00
Trade Fair and Robotics	87,250.00	0.00
Security	372,853.00	0.00
Inventory	60,000.00	0.00
Performance Contract	4,000.00	0.00
Consultancy	60,000.00	0.00
Attachment	47,750.00	0.00
Total good and services	**12,360,491.00**	**8,910,617.00**

10. EMPLOYEE COSTS

Description	Year ended June 30th 2022 KShs	Year ended June 30th 2021 KShs
KRA	0.00	0.00
NSSF	14,500.00	5,200.00
NHIF	19,450.00	11,800.00
BOG Employees	3,171,313.00	1,724,201.00
Casuals	223,250.00	211,660.00
Part Time	173,150.00	0.00
Staff SACCO Deductions	13,500.00	0.00
Employee costs	**3,615,163.00**	**1,952,861.00**

11. REMUNERATION OF DIRECTORS

Description	Year ended June 30th 2022 KShs	Year ended June 30th 2021 KShs
Chairman's Honoraria	0.00	0.00
Directors' emoluments	939,000.00	581,500.00
Other expenses	126,880.00	0.00
Total director emoluments	**1,065,880.00**	**581,500.00**

12. DEPRECIATION AND AMORTIZATION EXPENSE

Description	Year ended June 30th 2022 KShs	Year ended June 30th 2021 KShs
Buildings	991,241.00	1,011,470.00
Equipment/Machinery	83,740.00	95,703.00
Computers	63,736.00	95,555.00
Furniture's/Fittings	35,380.00	40,434.00
Total depreciation and amortization	**1,174,096.00**	**1,243,162.00**

13. REPAIRS AND MAINTENANCE

Description	Year ended June 30th 2022 KShs	Year ended June 30th 2021 KShs
General Repairs	406,827.00	427,925.00
Workshops	0.00	0.00
Total repairs and maintenance	**406,827.00**	**427,925.00**

14. CASH AND CASH EQUIVALENTS

Description	Year ended June 30th 2022 KShs	Year ended June 30th 2021 KShs
Current account	3,061,158.00	2,057,903.00
Cash	128,172.00	103,516.00
Total cash and cash equivalents	**3,189,330.00**	**2,161,419.00**

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

Financial college	Account number	Year ended June 30th 2022 KShs	Year ended June 30th 2021 KShs
a) **Current account**			
Kenya Commercial bank	1222409348	3,061,158.00	2,057,903.00
Sub- total		**3,061,158.00**	**2,057,903.00**
b) Others(specify)			
cash in hand		128,172.00	103,516.00
Sub- total		128,172.00	103,516.00
Grand total		**3,189,330.00**	**2,161,419.00**

15. RECEIVABLES FROM EXCHANGE TRANSACTIONS

16(a)Current Receivables from Exchange Transactions

Description	Year ended June 30th 2022	Year ended June 30th 2021
	KShs	KShs
Current receivables		
Fees debtors	5,557,700.00	4,151,867.00
Salary advances due	69,000.00	92,000.00
KNEC	373.00	0.00
Total current receivables	**5,627,073.00**	**4,243,867.00**

16. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	Year ended June 30th 2022	Year ended June 30th 2021
	KShs	KShs
Current receivables		
grants*	0.00	500,000.00
Total current receivables	**0.00**	**500,000.00**

17. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores	654,045.00	0.00
Total Inventories at lower of Cost and Net Realizable Value	**654,045.00**	**0.00**

18. PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS	MACHINERY	COMPUTERS	FURNITURE & FITTINGS	OTHER ASSETS	WORK IN PROGRESS	TOTAL
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1July, 2018	3,900,000.00	51,600,000.00	1,000,000.00	645,000.00	50,000.00			57,195,000.00
Additions								
Disposals								
At 1June 2019	3,900,000.00	51,600,000.00	1,000,000.00	645,000.00	50,000.00			57,195,000.00
At 1July 2019	3,900,000.00	51,600,000.00	1,000,000.00	645,000.00	50,000.00			57,195,000.00
Additions								
Disposals								
Transfers/adjustments								
At 30th June 2020	3,900,000.00	51,600,000.00	1,000,000.00	645,000.00	50,000.00			57,195,000.00
At 1 July 2020	3,900,000.00	51,600,000.00	1,000,000.00	645,000.00	50,000.00			57,195,000.00
Additions		1,016,860.00			285,190.00			1,302,050.00
Disposals								
Transfer/adjustments								
At 30th June 2021	**3,900,000.00**	**52,616,860.00**	**1,000,000.00**	**645,000.00**	**335,190.00**			**58,497,050.00**
At 1st July 2021	**3,900,000.00**	**52,616,860.00**	**1,000,000.00**	**645,000.00**	**335,190.00**			**58,497,050.00**
Additions				**523,780.00**		**193,504.00**	**2,709,457.00**	**3,426,741.00**
Disposals								
Transfer/adjustments								
At 30th June 2022	**3,900,000.00**	**52,616,860.00**	**1,000,000.00**	**1,168,780.00**	**335,190.00**	**193,504.00**	**2,709,457.00**	**61,923,791.00**
Depreciation and impairment								
At 30th June 2019	0	1,032,000.00	125,000.00	214,785.00	6,250.00			1,378,035.00
At 1st July, 2019	0	1,032,000.00	125,000.00	214,785.00	6,250.00			1,378,035.00
Depreciation	0	1,011,360.00	109,375.00	143,262.00	5,469.00			1,269,465.00
Impairment								
At 30th June 2020	**0**	**2,043,360.00**	**234,375.00**	**358,047.00**	**11,719.00**			**2,647,500.00**
At 1st July, 2020	**0**	**2,043,360.00**	**234,375.00**	**358,047.00**	**11,719.00**			**2,647,500.00**
Depreciation	**0**	1,011,470.00	95,703.00	95,555.00	40,434.00	-		1,243,162.00
Impairment								
At 30th June 2021	**0**	3,054,830.00	330,078.00	453,602.00	52,153.00			3,890,662.00
At 1st July, 2021	**0**	3,054,830.00	330,078.00	453,602.00	52,153.00			3,890,662.00
Depreciation		991,241.00	83,740.00	63,736.00	35,380.00	-	-	1,174,096.00
Impairment								

At 30th June 2022		4,046,071.00	413,818.00	517,338.00	87,533.00			5,064,758.00
Net book values								
At 30th June, 2021	**3,900,000.00**	**49,562,030.00**	**669,922.00**	**191,398.00**	**283,037.00**	**0.00**		**54,606,388.00**
At 30th June ,2022	**3,900,000.00**	**48,570,789.00**	**586,182.00**	**651,442.00**	**247,657.00**	**193,504.00**	**2,709,457.00**	**56,859,033.00**

Valuation

Land and buildings have not been valued

20. 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	3,900,000.00		3,900,000.00
Buildings	52,616,860.00	4,046,071.00	48,570,789.00
Plant And Machinery	1,000,000.00	413,818.00	586,182.00
Motor Vehicles, Including Motorcycles	0.00		0.00
Computers And Related Equipment	1,168,780.00	517,338.00	651,442.00
Office Equipment, Furniture, And Fittings	335,190.00	87,533.00	247,657.00
Other Assets	193,504.00		193,504.00
Work In Progress	2,709,457.00		2,709,457.00
Total	**61,923,791.00**	**5,064,758.00**	**56,859,033.00**

21. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	Year ended June 30th 2022	Year ended June 30th 2021
	KShs	KShs
Fees paid in advance	2,099,278.00	929,040.00
Trade payables	246,000.00	246,000.00
Other payables (mentoring institute)	650,000.00	650,000.00
NITA	92,450.00	0.00
Total trade and other payables	**3,087,728.00**	**1,825,040.00**

22. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	Year ended June 30th 2022	Year ended June 30th 2021
	KShs	KShs
Caution money	266,965.00	59,050.00
Total deposits	**266,965.00**	**59,050.00**

23. OTHER PAYMENTS

Description	Year ended June 30th 2022	Year ended June 30th 2021
	KShs	KShs
Remuneration of directors	1,065,880.00	581,500.00
Repairs and maintenance	406,827.00	427,925.00
Total other payments	**1,472,707.00**	**1,009,425.00**

24. CASH GENERATED FROM OPERATIONS

Description	Year ended June 30th 2022	Year ended June 30th 2021
	KShs	KShs
Net cash flow before working capital changes	**4,521,300.**	**3,903,805.00**
Adjusted for:		
Depreciation		
Working Capital adjustments		
Increase in Inventory	- 654,045.00	0.00
Increase in receivables	-883,206.00	-1,646,910.00
Increase in payables	1,262,688.00	381,076.00
Increase in payments received in advance	207,915.00	0.00
Net cash flow from operating activities	**4,454,652.00**	**2,637,971.00**

25. 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 college'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 college 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.
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 board of governor. The amounts presented in the statement of financial position have not been

subjected into provision of doubtful receivables as most its customers are continuing trainees

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	4,243,867.00	4,181,867.00	62,000.00	
Receivables from non-exchange transactions	500,000.00	500,000.00		
Bank balances	2,161,419.00	2,161,419.00		
Total	**6,905,286.00**	**6,843,286.00**	**62,000.00**	
At 30 June 2022				
Receivables from exchange transactions	5,627,073.00	2,153,174.00	3,473,899.00	
Receivables from non-exchange transactions	0.00			
Bank balances	3,196,940.00	3,196,940.00		
Total	**8,824,013.00**	**5,350,114.00**	**3,473,899.00**	

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 120 days.

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

(ii) Liquidity risk management

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

The table below represents cash flows payable by the college 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				
Fees paid in advance		929,040.00		929,040.00
Trade payables			246,000.00	246,000.00
Other payables (mentoring institute)			650,000.00	650,000.00
Caution money		59,050.00		59,050.00
Total		**988,090.00**	**896,000.00**	**1,884,090.00**
At 30 June 2022				
Fees paid in advance		2,099,278.00		2,099,278.00
Trade payables			246,000.00	246,000.00
Other payables (mentoring institute)			650,000.00	650,000.00
NITA		92,450.00		92,450.00
Caution money		207,915.00	59,050.00	266,965.00
Total		**2,399,643.00**	**955,050.00**	**3,354,693.00**

(iii) Market risk

The college has put in place strong internal controls to assist it in assessing the risk faced by the 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 and foreign exchange rates which will affect the college's income. 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 college's Finance Department is responsible for the development of detailed risk management policies and for the day-to-day implementation of those policies.

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

Foreign currency risk

The college has no transactional currency exposures as it has not been purchasing goods and services in currencies other than the local currency.

Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Description	Year ended June 30th 2022	Year ended June 30th 2021
	Kshs	Kshs
Revaluation reserve		
Retained earnings	10,844,546.00	6,323,246.00
Capital reserve	52,130,242.00	53,304,338.00
Total funds	**62,974,788.00**	**59,627,584.00**
Total borrowings	0.00	0.00
Less: cash and bank balances	3,189,330.00	2,161,419.00
Net debt/ (excess cash and cash equivalents)		
Gearing	5.00	4.00

26. RELATED PARTY BALANCES

Nature of related party relationships

Entities 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's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the college, both domestic and external. Other related parties include:

i) The National Government;
ii) The Parent Ministry; ministry of education
iii) Laikipia East CDF
iv) Local community
v) Laikipia County Government
vi) College Top management and trainers;
vii) Board of Governors;

viii) College trainees, sponsors and guardians.

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

	Year ended June 30th 2022	Year ended June 30th 2021
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants /capitation from National Govt	9,127,500.00	9,020,000.00
Bursary from NG CDF	1,492,870.00	377,800.00
HELB	4,375,200.00	
Total	**14,995,570.00**	**9,397,800.00**
b) Expenses incurred on behalf of related party		
Payments of salaries and wages for BoG employees	3,617,263.00	1,952,861.00
Total	**3,617,263.00**	**1,952,861.00**
c) Key management compensation		
Directors' emoluments	1,095,880.00	**581,500.00**
	1,095,880.00	**581,500.00**
Total	**19,708,713.00**	**11,932,161.00**

27. EVENTS AFTER THE REPORTING YEAR

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

28. ULTIMATE AND HOLDING COLLEGE

The college is a under the Ministry of Education. Its ultimate parent is the Government of Kenya

29. CURRENCY

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

I. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / 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.

.....

Name. Mr Ngatiah Simon Nderitu.
Designation. Principal/CEO
Date

Appendix II: Projects Implemented by Laikipia East Technical & 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

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

Appendix III- Inter-Entity Confirmation Letter

LAIKIPIA EAST TECHNICAL AND VOCATIONAL COLLEGE

Tel: 0713380692
Email:laikipiaetvc@gmail.com
www.laikipiaeasttvc.ac.ke

Along Nyeri-Nyahururu Highway
P.O Box 14-10129, Mugunda.

Laikipia East Technical & Vocational College
P.O BoX 14- 10129, Mugunda
0713380692

Laikipia East Technical & Vocational College wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Laikipia East Technical & Vocational College as at 30th June 2022

		Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022				Amount Received by [beneficiary Entity] (KShs) as at 30th June 2021 (E)	Differences (KShs) (F)=(D-E)
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter–Ministerial (C)	Total (D)=(A+B+C)		
	July	500,000.00			500,000.00	500,000.00	
	December	2,752,500.00			2,752,500.00	2,752,500.00	
	march	2,752,500.00			2,752,500.00	2,752,500.00	
	June	3,622,500.00			3,622,500.00	3,622,500.00	
Total		**9,627,500.00**			**9,627,500.00**	**9,627,500.00**	

In confirm that the amounts shown above are correct as of the date indicated.
Head of Accountants department of beneficiary Entity:
Name Olwaa Mwiti Murungi. **Sign** ..... **Date** 28/09/2022

Appendix IV: Reporting of Climate Relevant Expenditures

Name of the Organization: Laikipia East Technical & Vocational College
Telephone Number: 0713380692
Email Address: 14- 10129 Mugunda
Name of CEO/Principal: Mr Ngatiah Simon Nderitu.

Name and contact details of contact person: Mr Ngatiah Simon Nderitu. Phone No 0713380692

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Appendix V: Disaster Expenditure Reporting Template

Date:30th June, 2022

Entity: Laikipia East Technical & Vocational College

Period to which this report refers (FY)	**Year**			**Quarter**		
Name of Reporting Officer						
Contact details of the reporting officer:	**Email**			**Telephone**		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments