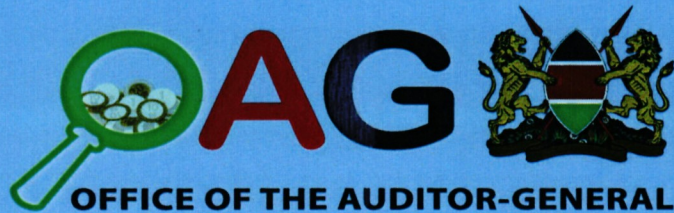


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 27 JUN 2023	DAY: TUESDAY
TABLED BY:	Hon. Owen Baya, MP Deputy Leader, Majority
CLERK-AT-THE-TABLE:	Inzofu mwale

THE AUDITOR-GENERAL

ON

**KIPSOEN TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2022**



KIPSOEN TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2022



Kipsoen Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

Kipsoen Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

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I. Key Entity Information and Management

(a) Background information

Kipsoen Technical and Vocational College-Iten was incorporated/established under the TVET Act, 2013 Act on 11th April, 2018 (Ref: **TVETA/PUBLIC/TVC/010/2018**). The entity is domiciled in Kenya. The institute is under the Ministry of Education.

KTVC-Iten academic activities are grouped in two namely: department of Engineering which constitutes Mechatronics Technician, Electrical & Electronics, Civil, Building & Technology, Welding & Fabrication, Plumbing and Carpentry and department of ICT/Business which constitutes Agriculture, Fashion & Design, Secretarial, Information Studies and Accountancy

(b) Principal Activities

The core mandate of KTVC - Iten is to promote advancement of education and development in the region and the country at large through technical and vocational training, research, innovation and community service.

The vision of the college is *“A leading institution in the Provision of Technical Skills Training and Entrepreneurship”*.

Its mission is: *“To impart quality technical skills through education, training and practical knowledge for self-reliance and economic empowerment in partnership with stakeholders”*.

Core values of KTVC-Iten are: *Integrity, teamwork, professionalism, accountability, inclusivity and health and safety.*

The Objectives of Kipsoen Technical and Vocational and College - Iten are as follows:

- i. To provide, a competent, dependable, innovative and creative human resource.*
- ii. To impart applied knowledge to trainees in order to gain entrepreneurial and problem-solving skills in the world of work;*
- iii. To expand and upgrade the Institute's infrastructure and equipment;*
- iv. To collaborate with Institutions and the community in providing extension services and solutions to emerging issues;*
- v. To promote trainee welfare and maintain co-curricular facilities for training and wellness.*

(c) Key Management

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

Board of Governors (BOG)

The Board meets as often as warranted but not less than three times a year. The day to day management of the Institute is the responsibility of the Principal. Various committees assist in running the Institute.

These include

- Finance, Infrastructural and General Purpose committee
- Human, Resource, Education and Research committee
- Audit and Risk committee

Each of the above committees has specific responsibilities and obligations in as far as the Institute is concerned. They meet often to deliberate on issues affecting the Institute and make appropriate recommendation for further action by the Institute management.

Principal

- The Principal is answerable to the Board of Governors and the Government.
- The chief executive of the institute managing it on a day to day basis and is the secretary to the Board of Governors.
- Ensures implementation and execution of government policies, programmes and other statutory requirements.

Deputy Principal

- The Deputy Principal is answerable to Principal
- The deputy chief executive of the institute assisting the principal in managing it on a day to day basis and is the deputy secretary to the Board of Governors.
- Ensures implementation and execution of school policies, programmes and other statutory requirements as directed by the principal.

Registrar

- Handle all issues related to student's admissions in general
- Effective management of trainees' records
- Management of trainee evaluation both internally and externally.
- Marketing institute programmes
- Any other functions assigned by the principal.

Dean of Students

- Organize proper utilization of all trainees' recreational facilities
- Oversee organization of student's governance, clubs, societies, games etc.
- Arrange regular consultative information oriented meetings with class representative, HODs and Principal

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- Approve student's leave of absence during non-tuition time.
- Prepare budget related to all co-curricular activities
- Keep records and correspondence on trainees' issues and welfare.
- Any other functions assigned by the principal.

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Bitok K. Joseph
2.	Deputy principal	Samuel K. Lagat
3	Registrar (s)	Festus K. Rotich
4	Dean of students	Maurice K. Chemitei
5	Head of Finance	Jonathan K. Yator
6	Head of Department-Engineering	Peres Chepkemei
7	Head of Department ICT/Business/Agriculture	Aaron Chemwolo

(e) Fiduciary Oversight Arrangements

Audit and Risk committee

Members of Kipsoen Technical and Vocational College-Iten Board of Governors (BOG) have established an *Audit and risk committee*, which attends to the college audit requirements from time to time. Auditing is scheduled as per the GOK requirements relating to public institutions. Internal and external auditors are involved for this purpose.

Finance, Infrastructural and General Purpose committee

The Kipsoen Technical and Vocational College-Iten has an existing *Finance and operations committee* that is constituted by some the members of the Board of Governors (BOG). This committee performs functions such as college budget approval, regulation of expenditures, identifications of Income Generating Activities (IGA) and other sources of revenues.

Human, Resource, Education and Research committee

Kipsoen Technical and Vocational College-Iten core mandate is to promote advancement of education and development in the region and the country at large through technical and vocational training, research, innovation and community service. The Board of Governors has therefore established a special committee that is dedicated to issues relating to academic activities such development of policies, acquisition of teaching and learning materials amongst others.

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S/No	Name of committee	Members
1.	Finance, Infrastructural and General Purpose committee	1. Duncan Kimaiyo - Chairperson 2. Boaz Kipkurui Kipchoge 3. Nyabuto Diafna Lucy 4. Accounts Clerk May be Co-opted
2.	Human Resource, Education and Research committee	1. Boaz Kipkurui Kipchoge- Chairperson 2. Duncan Kimaiyo 3. Nyabuto Diafna Lucy 4. HoD-Academics may be co-opted
3	<i>Audit and Risk committee</i>	1. David Kimosop Chesire- Chairperson 2. Dr. Castro Felix M. Mugalla 3. Janet Jepchirchir Kimutai

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Key Entity Information and Management (Continued)

(f) Entity Headquarters

Kipsoen Technical and Vocational College,
Off Iten-Eldoret Road.
P.O. Box 344-30700,
ITEN, KENYA

(g) Entity Contacts

Telephone: (254) 797868786
E-mail: kipsoentvc@gmail.com
Website: www.kipsoentvc.ac.ke

(h) Entity Bankers

Equity Bank Ltd
Iten Branch
P.O. Box 616-30700
Iten, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

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II. The Council/Board of Governors

No.	Member/ Director	Details
1.	 James Kemboi Keitany. <i>Bachelor in Project, Planning and Management</i>	<i>Born in 21st Sept. 1962.</i> Holder of Bachelor in Project, Planning and Management. Deployed to the County Department for Lands, Water, Environment and Natural Resources Chairperson BOG.
2.	 Duncan Kimaiyo. <i>Bachelor of Science in Mathematics</i>	<i>Born in 5th May 1986.</i> Holder of Bachelor of Science in Mathematics. He is a business Person-Agricultural Input and General Supplies. Executive member BOG, member Human, Resource, Education and Research Chairperson Finance, Infrastructure and General Purpose Committee.
3.	 Janet Jepchirchir Kimutai. <i>Master of Business Administration-Finance</i>	<i>Born in 29th January, 1984</i> Holder of Master of Business Administration-Finance. She has a 10-year experience as an accountant. Executive member BOG and Member Audit and Risk Committee.
4.	 Dr. Castro Felix M. Mugalla. <i>Master of Medicine</i>	<i>Born in 27th October 1979</i> Holder of Master of Medicine. A career medical doctor. Executive member BOG and Member Audit and Risk Committee
5.	 David Kimosop Chesire <i>Bachelor of Science in Computer Science</i>	<i>Born in 27th July 1980</i> Holder of Bachelor of Science in Computer Science. Senior Manager, Business Systems & Analysis. Executive member BOG and Chairperson Finance, Infrastructure and General Purpose Committee.

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6.	 Boaz Kipkurui Kipchoge <i>BSc. Telecommunications & I.T</i>	Born in 10th March 1986 Holder of BSc. Telecommunications & I.T. He is Trainee Engineer - Networks. Executive member BOG, member and Chairperson Human, Resource, Education and Research Committee. Member of Finance, Infrastructure and General Purpose Committee.
7.	 Nyabuto Diafna Lucy <i>B.Eng. Geospatial Engineering</i>	Born in 4th April 1991. Holder of B.Eng. Geospatial Engineering. She is a Geospatial engineer. Executive member BOG and Member Human, Resource, Education and Research Committee. Member of Finance, Infrastructure and General Purpose Committee.
8.	 Geoffrey Gichuru Mutulili Master's in Business Administration (Management Information Systems) and B.Ed. (Arts)	Mr.Gichuru Mutulili was born on 3rd Sept.1966; He is the current TVET County Director Uasin Gichu, Nandi and Elgeyo Marakwet Regions. He is the Ministry's representative in the Board and provide advice and guidelines on Ministry's strategic goals, mandate and policy direction. He holds Master's in Business Administration (Management Information Systems) and B.Ed. (Arts) Mathematics &Business Studies. He is a Member Human, Resource, Education and Research Committee.
9.	 Bitok K Joseph <i>Master Of Science (Analytical Chemistry)</i>	<i>Born in 19th September, 1970</i> Holder of Master of Science (Analytical Chemistry). Six years' experience in educational management and 25yrs as an effective trainer/teacher. Currently serves as Kipsoen TVC principal/Secretary BOG.

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III. Management Team

No.	Member/ Director	Details
1.	 Bitok K. Joseph <i>Master Of Science (Analytical Chemistry)</i>	Principal
2.	 Samuel K. Lagat <i>Bachelor of Education in Technology Education (Electrical & Electronics Engineering)</i>	Deputy Principal
3.	 Kipkemoi Wesley <i>Bachelor of Science (Mechatronic Engineering)</i>	Ag. Registrar
4.	 Maurice K. Chemitei <i>Bachelor of Education-Business and Secretarial.</i>	Ag. Dean of Students
5.	 Peres Chepkemei <i>Diploma in Technical Education, Diploma in Electrical & Electronics Engineering (Power Option)</i>	Ag. Head of Department Engineering

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6.	 Aaron K. Chemwolo <i>Diploma in Technical Education,</i>	Ag. Head of Department - ICT/Business/Agriculture/Garment Making
7.	 Jonathan K. Yator <i>Bachelors In Business Management</i> <i>(Finance And Banking), ICPAK</i>	Accounts clerk

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IV. Chairman's Statement

I have the pleasure to present an overview of the Kipsoen Technical and Vocational College performance for the year ended 30th June 2022. KTVC endeavours to continually improve on the implementation of its mission and Objectives

Governance

We have focused to promote highly and advanced technical trained manpower in the various fields as part of the college's contribution towards the achievement of Vision 2030 by providing quality technical training for self-reliance and economic empowerment for sustainable development.

Financial Policies

During the year ended 30th June 2022, Kipsoen Technical and Vocational College was mainly funded through the Government capitation and appropriation in Aid (A-I-A) for its recurrent expenditure.

I wish to finally thank the government of Kenya, Board of Governance, Management and staff for their dedication and participation over the year in striving to make KTVC achieve its desire in producing a more skilled and trained workforce for our country


Veronica C. Birgen
CHAIRPERSON, BOARD OF GOVERNORS

V. Report of the Principal

REPORT OF THE PRINCIPAL

I am delighted to have the opportunity to give a report on Technical Training in KTVC and financial statement of the institution. I am honored and humbled to be the second principal to be deployed by the government of Kenya to this college. I thank God and appreciate the MOE for giving me the opportunity to serve in this capacity.

I want to share with you my Vision for the future of KTVC. Very simply put, my vision is all about fulfilling Dreams. Fulfilling our students' dreams is at the core of everything we do. But what exactly are our students' dreams? And what must we do to help these dreams come true?

The dreams of our students fall into three major categories.

- i. Many of our students dream of completing an artisan, craft and Diploma course and applying the skills attained in self-employment.
- ii. Many others dream of earning a credential that leads to a good paying job.
- iii. A few dream of simply taking customized/short training courses that will help them advance in their career.

Our staff is committed to helping our students realize their dreams. Their dreams can't come true by them simply "walking in our doors." Thus, we help the students take responsibility in their college career by ensuring that they do practical work and make sure their tuition fee is paid on time; and by emphasizing to them that they must commit to the learning process, show up for classes, complete all class assignments, and ultimately pass the course. We also provide a conducive learning environment that enables students to be successful.

Our vision is for KTVC to be the students' Dream-Catcher":

1. We work with all our stakeholders so that our students come to us better prepared for college.
2. We aim to increase access to quality of our programs by organizing outreach programs in high schools so that our potential students get a head start on a college certificate.
3. We are there for our students when they first come in our doors, reinforcing that they can and will be successful.
4. We always advise our students that their goal is not to go or come to college but rather to successfully complete College.
5. We help our students better understand the financial aid and loan process that the government has provided.

For KTVC to be a Premier college our staff are encouraged to have passion for hard work, they are also engaged in the planning and decision making process. Their voices are heard. Our students' accomplishments are directly related to the daily efforts of the staff. That is why as the Second principal, I encouraged staff input from the very beginning in the development of the 2021-2025 KTVC Strategic Plan.

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During the year ended 30th June 2022, Kipsoen Technical and Vocational College received funding through the Government capitation of kshs. 13,895,500 and appropriation in Aid (A-I-A) of kshs. 13,050125.50 for its recurrent expenditure.

Technical Education is constantly evolving. New initiatives or advances in technology require staff to conduct business differently. The management will advocate for targeted professional development and as the Principal, I will continue to invest in employee professional development.

Our local communities and our people as a whole will be the ultimate beneficiaries of our dream. We envision a future where all of our communities have a college-educated workforce, ready and able to fill the needs of local business and industry.

Finally, we acknowledge that KTVC is deserving investment and we appeal for continued financial support from the government so as to actualize our dreams.

God Bless KTVC.



Joseph K. Bitok

PRINCIPAL/SECRETARY BOG

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VI. Statement of Performance against Predetermined Objectives

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

Kipsoen Technical and Vocational College has *seven (7)* strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2021- FY 2025. These strategic pillars are as follows:

- Pillar/ theme/issue 1: Infrastructural Development
- Pillar/ theme/issue 2: Resources (financial and human)
- Pillar/ theme/issue 3: Access, Equity and Quality Assurance
- Pillar/ theme/issue 4: ICT Integration, Equipment and Technology
- Pillar/ theme/issue 5: Collaboration and Linkages
- Pillar/ theme/issue 6: Communication and Public Relations
- Pillar/ theme/issue 7: Research and Development

Kipsoen Technical and Vocational College develops its annual work plans based on the above *seven (7)* pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Kipsoen Technical and Vocational College achieved its performance targets set for the FY 2021/2022 period for its *seven (7)* strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar / theme / issue 1	Infrastructure Development	Develop and upgrade infrastructure	Approved master plan by public works	1. Review the master plan 2. Update the master plan	Plans are underway
			Functional library	Equip a library	Library is not yet equipped.
			Availability of complete catering unit	Construct and equip a catering unit	Functional catering unit is not yet in place.
			College owned bus	Acquire a 46 seater bus	School bus is not available.
			Completed gate	Construct college gate	College gate not constructed
			Availability of more usable classrooms	Completion of existing basement block	Plans are underway for construction of four classrooms.
			More classroom available	Construction of classrooms	Four classroom not constructed

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			Two more Workshops available for learning	Construct and Equip two workshops	Two workshops are yet to be constructed and equipped
			Two more Workshops available for learning	Construct and Equip two workshops	Two workshops not yet constructed and equipped.
			Functional sporting facilities	Construct and landscape for sporting facilities	Sporting facilities partly constructed
			Functioning infrastructure	Repairs and maintenance	Infrastructure repair and maintenance is on-going
			Number of acres bought.	Buy 15 acres of land	15 acres of land not bought.
			Operational 100KVA generator	Purchase 100KVA generator	100KVA generator not bought.
Pillar / theme / issue 2	Financial Resources	Diversify sources and increase funding	Increased student population	Increase student's enrolment. Enrolment of students/trainees	GOK capitation increased.
			Number of proposals done	Develop and submit proposals to Donors	Proposals not yet developed and submitted
			Funds sought	Seek for funds from county, national and other agencies	More activities not undertaken and accomplished
			Number of dairy cows purchased	Purchase four dairy cows	Not yet purchased
			Number of 500 seater tents fabricated	Fabrication of 500 seater tents	500 seater Tents not fabricated
			Number of audits records done	Regular audit of financial records	Auditing of financial records currently underway.
	Human Resources	Harness Human resource	Human resource policy in place.	i) Form a committee to work on the Human	HR Policy draft is ready for adoption.

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				Resource policy	
			HR policy implemented	ii) Implement the HR policy	HR policy not operational
Pillar / theme / issue 3	Access, Equity and Quality Assurance		Number of students assisted.	Assist potential trainees to access funding for their tuition.	Several applications received.
			Policy on Affirmative Action	Develop and implement Affirmative Action Policy	Gender equity yet to be achieved.
			Number of training/workshop attended.	Sponsor guidance and counselling staff for training/Workshop	Improved guidance and counselling services
			Number of guidance and counselling reference materials bought.	Purchase of guidance and counselling reference materials	Reference materials in place
			Number of graduates securing employment.	Offer market Oriented curriculum	Market oriented curriculum implemented
Pillar / theme / issue 4	ICT, Equipment and Technology	To build ICT capacity in curriculum, service delivery and institution management.	60 additional computers procured,	Expand and improve ICT equipment	ICT equipment expansion in progress
			2 Smart boards procured		Plans are in progress
			10 CCTV Cameras		Plans are in progress
			Computer Rooms and Administrative offices provided with LAN		Plans are in progress
			Functional MIS.	Procure and install management Information Systems	Procurement of management information systems

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					procured and installed
			ICT integrated in teaching and learning.	Integrate ICT in curriculum delivery	Introduced online teaching/learning, Maintained teaching/learning Database.
			ICT policy in place	Develop and implement ICT Policy	ICT policy not yet developed.
Pillar / theme / issue 5	Collaboration and Linkages	Enhance collaboration and linkages with industries, TVET	Number of Collaborations established.	Nurture and expand collaboration and linkages	Enhanced collaborations and linkage undertaken;
		institutions and schools	No of benchmark trips	Benchmarking trips to other TVET institution	Bench marking undertaken.
			Number of networks established.	Visiting industries and companies	Six industries/companies visited.
Pillar / theme / issue 6	Public Relations and Communication	To ensure effective public relation communication between the college and our publics	Corporate communication policy in place	Form a committee to develop a corporate communication policy	Corporate communication policy not developed
			Number of social responsibilities undertaken.	Participation in tree planting, cleaning activities, offering agriculture extension to our neighbourhood, fund raising activities. Amongst others	Corporate image and good will raised.
			Number of activities conducted in relation to marketing.	Go to local barazas, use social medias and print media	Visibility of our college Increased.
			Number of sensitization	Sensitize Schools(primary	Schools sensitized

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			conducted	and secondary) on importance of TVET courses.	
			Number of forums attended.	Sensitization of local community on importance of TVET courses	Local community sensitized
			Number of TVET services and products exhibited.	Participate in TVET Open Days.	Showcased TVET services and products
Pillar / theme / issue 7	Research and Development	Institutionalize effective research and development	Research policy document in place	Develop research policy	Research policy document not yet developed.
			Research and Development unit functional	Establish a Research and Development Unit for coordination	Research and Development unit established
			Number of successful R & D activities carried out.	Carry out research and development activities.	Innovativeness Enhanced.
			Participation in ASK Show and open days	Organize open Fora to showcase Research findings.	Technological exchange fora not yet organized

VII. Corporate Governance Statement

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

In appointing and reappointing of board members, commencement dates of some members are staggered to maintain continuity in the affairs of the board.

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

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

The functions of the Board Include:

- Overseeing the conduct of education and Training in the institute
- Promoting and maintaining quality standards and relevance in education and Training
- Administering and managing the institutes property
- Preparing annual estimates of revenue and expenditure as well as incurring expenditure
- Receiving fees, grants, subscriptions, donations and other moneys and making disbursements
- Mobilising resources for the institute
- Developing and reviewing training programmes
- Regulating admissions subject to the Act
- Approving collaborations or associations with other institutions and industries
- Recruiting trainers from among qualified professionals
- Determining suitable terms and conditions of service for support staff and trainers and remunerating them in consultation with the Authority.
- Making regulations governing the institute, conduct and discipline of staff and students.
- Preparing annual reports in areas of their mandate
- Providing for the welfare of staff and students
- Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institute.

VIII. Management Discussion and Analysis

SECTION A

Kipsoen technical and vocational college operational and financial performance

During the financial year the institute realized revenues of **Ksh. 30,915,140** and recurrent expenditure stood at **Ksh. 27,666,204**

SECTION B

Kipsoen technical and vocational college compliance with statutory requirements

Kipsoen technical and vocational college has complied with all statutory requirements which include prompt remittance of NSSF, NHIF, PAYE and HELB.

SECTION C

Major risks facing Kipsoen Technical and vocational college

Kipsoen Technical and Vocational College desires to enhance its performance and competitiveness in the tertiary education sector in the face of competition of already established institutions and private colleges/institutions. However, to succeed in competitive environment the Institute requires a lot of support from the Government and other stakeholders in terms of funding and other development projects because there is lack of; hostels for students and staff, inadequate classroom infrastructure, inadequate land for expansion, insufficient funds, inadequate library space and books and means of transport-utility vehicles.

The challenges include Inadequate Development and Recurrent grants that reduces implementation of procurement plan activities and Untimely disbursement of student Capitation.

SECTION D

Material arrears in statutory and other financial obligations

Kipsoen Technical and Vocational College is law abiding Institution and is committed to its core mandate hence it has no Statutory or tax default to date.

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SECTION E

The entity's financial probity and serious governance issues

The Institute has no governance issues among the Board of Governors members or the top management in so far as conflict of interest is concerned.

IX.Environmental and Sustainability Reporting Statement

Kipsoen Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. Its what guides us to deliver our strategy, putting the customer/citizen first, delivering relevant goods and services, and improving operational excellence.

Sustainability strategy and profile

Through its strategic planning the entity has drawn its sustainability and profile from its vision, mission and core values

Environmental performance

Kipsoen technical and vocational college is guided by the environmental sustainability guidelines in accordance to chapter 5 of the constitution of kenya and the Environmental Management and Coordination Act(EMCA) OF 1999. Environmental sustainability refers to concerted efforts put in place to mitigate against environmental degradation.it is the maintenance of factors and practises that contribute to the quality of environment on a short and long term basis.

Employee welfare

Kipsoen technical and vocational college is guided by the policies under the labour laws.

The entity also complies with the occupation safety and health Act 2007,(OSHA)

Persons with the right qualifications and competence were hired following established process of advertising existing posts, receiving applications, shortlisting of qualified candidates and inviting for an interview conducted based on established criteria that include gender consideration, experiences and relevant qualifications.

Market place practises

- a) Responsible competition practise.

the entity is guided by the Kenya constitution that has endeavoured to uphold fairness, equity and transparency during implementation of its projects. In the implementation of the curriculum the management ensured that the training offered was of high quality. Instructional training, continuous assessment and evaluation conducted in line with the academic policy

- b) Responsible supply chain and supplier relations.

The entity through its strategic plan identified various stakeholders including the suppliers and is committed towards strengthening supplier relations through sensitisation and prequalification of all suppliers who meet requirements, timely payments for goods and services provided, provide feedback mechanism and effective communication linkages.

- c) Responsible marketing and advertisement

To enhance its marketing strategies, the entity has continuously done road trips, barazas, updating the online platform and publicise its information in its website mainly aimed at

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reaching out to the youth. Advertisements of tenders has been done widely on local platforms and major tenders in newspapers.

d) Product stewardship

The entity has ensured that its consumers rights and interests have been safeguarded. the entity participates in science fairs, sports, staff training and development to enhance the delivery of services to its clients.

Corporate Social Responsibility / Community Engagements

Partnered with the community in tree planting to increase the Kenya's forest cover

Kipsoen Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

X. Report of the Council/Board of Governors

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

Principal activities

The principal activities of the entity are;

- ☐ To offer technical training
- ☐ To provide and promote life-long learning

Results

The results of the entity for the year ended June 30, 2022 are set out on page 1 to 65.

Council/Board of Governors

The members of the Board /Council who served during the year are shown on page vii and viii.

Auditors

The Auditor General is responsible for the statutory audit of the The Kipsoen technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2022.

By Order of the Board

.....


Principal/BOG secretary

Iten

Date: 8/5/2023



Kipsoen Technical and Vocational College

Annual Report and Financial Statements for the year ended 30th June 2022

XI. Statement of Board of Governors/ Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and *section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013* require the council members to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period 2021/2022 and the operating results of the *entity* for that year/period 2021/2022. The Council members are also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The council members are also responsible for safeguarding the assets of the *entity*.

The Council members are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) 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 period,
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity,
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- (iv) safeguarding the assets of the *entity*,
- (v) selecting and applying appropriate accounting policies, and
- (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the accrual basis of accounting method under the International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *the State Corporations Act and the TVET Act*

The council members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2022, and of the *entity's* financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Council members to indicate that the *entity* 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 Kipsoen technical and vocational college financial statements were approved by the Board on 6th October 2022 and signed on its behalf by:



Veronica C. Birgen

Chairperson of the Board/Council

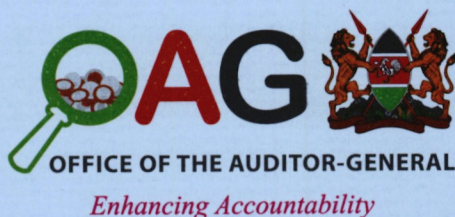


Joseph K. Bitok

Accounting Officer/Principal

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KIPSOEN 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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kipsoen Technical and Vocational College set out on pages 1 to 61, 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 the Kipsoen 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 Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Receivables from Exchange Transactions

The statement of financial position and as disclosed in Notes 27(a) and (b) to the financial statements reflects current portion of receivables from exchange transactions balance of Kshs.2,640,139 and long-term receivables balance of Kshs.6,347,211 with respect to student debtors. However, aging analysis and provision for bad and doubtful debts in relation to overdue outstanding student debtors was not provided for audit. In addition, there was no evidence that the College had put in place mechanisms to recover the outstanding debts. The College may suffer financial loss from unrecovered debts.

In the circumstances, the accuracy, completeness and recoverability of the total receivables from exchange transactions balance of Kshs.8,987,350 could not be confirmed.

2. Unsupported Property, Plant and Equipment

The statement of financial position and as disclosed in Note 31 to the financial statements reflects property, plant and equipment balance of Kshs.60,019,117 which includes land balance of Kshs.56,437,652. The College owns 5-hectare piece of land which includes the land where the college sits. However, the ownership documents like title deed, leases or allotments were not provided for audit. In addition, the value of college land was not included in the reported balance for property, plant and equipment.

Further, the property, plant and equipment balance includes motor vehicles balance of Kshs.1,068,750, office equipment, furniture and fittings balance of Kshs.558,255, computers and related equipment balance of Kshs.993,847 which were donated by the State Department of Vocational and Technical Training to the College. However, no documentary evidence was provided to confirm how the values included in the financial statements were determined.

In addition, one of the motor vehicle, was donated to the College by the Keiyo North National Government Constituency Development Fund (NGCDF). However, the

ownership has not been transferred to the College as the vehicle log book is in the name of Keiyo North National Government Constituency Development Fund.

Further, the College has buildings which include a tuition block and the dormitory that were constructed by the Ministry of Education and the Keiyo North NGCDF office. However, a handing over report for the completed buildings was not provided for audit. The value of the assets was also not disclosed in the asset register and in the financial statements.

In addition, property, plant and equipment balance includes Management Information System (MIS) software balance of Kshs.560,000. However, the Management Information System is an intangible asset and should be separately recognized and classified as such in the financial statements.

Further, the assets register of the College was not updated to reflect details relating to: date of purchase, supplier, cost, location, serial number, unique identification number, accumulated depreciation and net book value. In addition, computers and its accessories, television, furniture, cameras, printer and a smartphone all acquired at a cost of Kshs.2,384,800 were not labelled and tagged.

In the circumstances, the accuracy and completeness of Kshs.60,019,117 for the total assets balance could not be confirmed.

3. Inaccuracy of the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects income and expenses performance differences of (Kshs.3,655,680) and Kshs.6,724,521 respectively. However, the recalculated balances reflected income and expenses performance differences of (Kshs.3,594,360) and Kshs.9,279,801 respectively resulting to unexplained variances of Kshs.61,320 and Kshs.2,555,280 respectively.

In the circumstances, the accuracy and completeness of the above balances in the statement of comparison of budget and actual amounts could not be confirmed.

4. Inaccuracies in Reserves and Capital Fund Balances

The statement of financial position reflects nil and Kshs.61,900,000 reserves and capital fund balances respectively. However, the statement of changes in net assets reflects Kshs.1,900,000 and Kshs.60,000,000 balances for revaluation reserve and capital development grants/fund respectively resulting to an unexplained variance in both balances of Kshs.1,900,000.

In the circumstances, the accuracy and completeness of the above balances could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kipsoen Technical and Vocational College Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe

that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.34,509,500 and Kshs.30,915,140 respectively resulting to an underfunding of Kshs.3,655,680 or 11% of the budget. Similarly, the College expended Kshs.25,229,699 against an approved budget of Kshs.34,509,500 resulting to an under-expenditure of Kshs.9,279,801 or 27% of the budget.

The underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

In the audit report of the previous year, a number of paragraphs were raised. However, Management has not resolved and disclosed all the prior year matters as provided by the Public Sector Accounting Standards Board templates. Management has not provided satisfactory explanation for the delay in resolving the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements were submitted to the Office of the Auditor-General on 07 October, 2022, one week after the required deadline of 30 September, 2022. This is contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 which requires that the annual financial statements should be prepared for each year within three months after the end of the financial year and be submitted to the Controller of Budget and the Auditor-General for audit.

2. Presentation of the Financial Statements

Review of the financial statements revealed that related party transactions and the balances were not disclosed. This is contrary to the prescribed reporting Template issued by the Public Sector Accounting Standard Board (PSASB) in accordance with Section 194(1)(d) of the Public Finance Management Act, 2012.

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

3. Non-Compliance with Law on Ethnic Composition

During the year under review, the total number of employees of the College was thirty-three (33) out of which thirty-one (31) or 94% of the total number were members of the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community".

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

4. Lack of Approved Staff Establishment

During the year under review, Management did not have in place human resource plan and staff establishment record. This is contrary to Regulation 120(2) of the Public Finance Management (National Government) Regulations, 2015 which requires that the budgetary allocation for personnel costs should be determined on the basis of a detailed costing of a human capital plan of a National Government entity as approved by the state department responsible for public service management matters, the Public Service Commission and National Treasury. Further, without staff establishment records it is not possible to confirm the human resource requirements and establish the basis of recruitment of new employees, both permanent and temporary.

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

5. Occupational Safety and Health

During the year under review the college did not establish a safety and health committee at the workplace as required under Section 9(1) of the Occupational Safety and Health Act, 2007. Further, Management did not provide a safety and health audit report as required under Section 11(1) which states that the occupier of a workplace shall cause a thorough safety and health audit of his workplace to be carried out at least once in every period of twelve months by a safety and health advisor.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function

The College has not established an internal audit function. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function. As such the College did not benefit from the assurance and advisory services from the internal audit function.

In the circumstances, the effectiveness of internal controls and governance could not be confirmed.

2. Lack of a Risk Management Policy

The Management had not put in place Risk Management Policy, strategies, and risk register to mitigate against risk. It was, therefore, not clear how the Management manages risk exposures. This is in contravention of Section 165 of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism and system of risk management and internal control that builds robust business operations.

In the circumstances, existence of effective risk management measures could not be confirmed.

3. Weak Information Communication Technology (ICT) Internal Control Environment

Review of ICT internal control environment during the year under review revealed that the College has a server. However, the College did not have a dedicated server room as the server hardware is installed at the College registrar's office. In addition, the College does not have a dedicated ICT Officer to manage and support ICT resources of the College and provide guidance on IT-related decision-making processes. Further, the College did not have in place IT business continuity plan and therefore in case of a disaster, the College may not recover critical information resources especially critical data on current

and former students of the College. The server is also susceptible to security breaches as a result of malicious or unintentional access by unauthorized parties.

In the circumstances, existence of effective ICT controls could not be confirmed.

4. Lack of Policy on Trade and Other Payables

During the year under review, the College did not have in place a creditors' management policy. This is contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which requires that a National Government entity should develop creditors' policy. Further, without a policy on trade and other payables, Management may not identify credit risks on a timely basis and take appropriate measures to manage them.

In the circumstances, existence of effective internal controls on trade and other payables could not be confirmed.

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

Responsibilities of Management and the Board of Governors

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

In preparing the financial statements, Management is responsible for assessing the College's ability to 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 College or to cease operations.

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

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

The Board of Governors is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 controls.

- 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 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

25 May, 2023

Kipsoen Technical and vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

XIII. Statement of Financial Performance for the year ended 30 June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	14,280,000	8,850,000
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
		14,280,000	8,850,000
Revenue from Exchange transactions			
Rendering of services- fees from students	10	16,117,240	8,197,950
Sale of goods	11	11,000	-
Rental revenue from facilities and equipment	12	-	-
Finance income	13	-	-
Other income	14	506,900	-
Revenue from Exchange transactions		16,635,140	8,197,950
Total Revenue		30,915,140	17,047,950
Expenses			
Use of goods and services	15	20,005,739	6,572,289
Employee costs	16	4,481,990	2,095,160
Board /Council Expenses	17	281,000	1,098,300
Depreciation and amortization expense	18	2,436,505	2,066,290
Repairs and maintenance	19	460,970	417,350
Contracted services	20	-	-
Grants and subsidies	21	-	-
Finance costs	22	-	-
Total Expenses		27,666,204	12,249,123
Other Gains/(Losses)			
Gain on sale of assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Impairment loss	25	-	-
Total Other Gains/(Losses)		-	-
Net surplus for the year		3,248,936	4,798,827
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-

Kipsoen Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

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The Financial Statements set out on pages 1 to 9 were signed by:


 Chairman of Council/Board


 Finance Officer
 ICPAK No 26189


 Principal

Date 8/5/2023

Date 08.05.2023

Date 8/5/2023



Kipsoen Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

XIV. Statement of Financial Position as at 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	3,238,992	4,284,690
Current portion of receivables from exchange transactions	27(a)	2,640,139	3,866,984
Receivables from non-exchange transactions	28	5,342,000	4,957,500
Inventories	29	-	-
Investments	30	-	-
		11,221,131	13,109,174
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	6,347,211	-
Investments	30	-	-
Property, plant, and equipment	31	60,019,117	59,232,376
Intangible assets	32	-	-
Investment property	33	-	-
		66,366,328	59,232,376
Total Assets		77,587,459	72,341,550
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	34	4,512,561	2,730,588
Refundable deposits from customers	35	559,000	344,000
Current provisions	36	-	-
Finance lease obligation	37	-	-
Current portion of borrowings	41	-	-
Deferred income	38	-	-
Employee benefit obligation	39	-	-
Payments received in advance		-	-
		5,071,561	3,074,588
Non-Current Liabilities			
Finance lease obligation	37	-	-
Deferred income	38	-	-
Non-Current Employee Benefit Obligation	39	-	-

Kipsoen Technical and Vocational College
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Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Non-Current Provisions	40	-	-
Borrowings	41	-	-
Service Concession Liability	42	-	-
Deferred Tax Liabilities	49	-	-
		-	-
Total Liabilities		5,071,561	3,074,588
Net Assets		72,515,898	69,266,962
Reserves		-	-
Accumulated Surplus		10,615,898	7,366,962
Capital Fund		61,900,000	61,900,000
Total Net Assets and Liabilities		72,515,898	69,266,962

The Financial Statements set out on pages 1 to 9 were signed by:

		
Chairman of Council/Board	Finance Officer	Principal
	ICPAK No 26189	
Date... 8/5/2023	Date... 08.05.2023	Date... 8/5/2023



Kipsoen Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 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, 2020	-	-	2,568,135	60,000,000	62,568,135
Revaluation gain	1,900,000	-	-	-	1,900,000
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	4,798,827	-	4,798,827
Capital/development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
At June 30, 2021	1,900,000	-	7,366,962	60,000,000	69,266,962
At July 1, 2021	1,900,000	-	7,366,962	60,000,000	69,266,962
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	3,248,936	-	3,248,936
Capital/development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
At June 30, 2022	1,900,000	-	10,615,898	60,000,000	72,515,898

Kipsoen Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

XVI. Statement of Cash Flows for the year ended 30 June 2022

Description		2021-2022	2020-2021
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants		13,895,500	7,210,000
Public contributions and donations		-	-
Rendering of services- fees from students		12,532,225.50	6,704,737
Sale of goods		11,000	-
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Other income		506,900	-
Total Receipts		26,945,625.50	13,914,737
Payments			
Compensation of employees		4,481,990	2,095,160
Use of goods and services		19,544,117	6,972,269
Remuneration of directors		281,000	1,098,300
Repairs and maintenance		460,970	417,350
Finance cost		-	-
Rent paid		-	-
Taxation paid		-	-
Other payments		-	-
Grants and subsidies paid		-	-
Total Payments		24,768,077	10,583,079
Net Cash Flows from operating activities	43	2,177,549	3,331,458
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(3,223,246)	(78,000)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(3,223,246)	(78,000)
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Deposits receipts		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash			3,253,658

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equivalents		(1,045,697)	
Cash and Cash equivalents at 1 JULY	26	4,284,690	1,031,032
Cash and Cash equivalents at 30 JUNE	26	3,238,992.50	4,284,690

The Financial Statements set out on pages 1 to 9 were signed by:

		
Chairman of Council/Board	Finance Officer	Principal
	ICPAK No 26189	
Date... 8/5/2023	Date... 08.05.2023	Date... 8/5/2023



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XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

Description	Original budget 2021-2022 Kshs	Adjustments 2021-2022 Kshs	Final budget 2021-2022 Kshs	Actual on comparable basis 2021-2022 Kshs	Performance difference 2021-2022 Kshs	Utilization Difference 2021-2022 %
Revenue						
Transfers from other govt entities and govt grants	18,000,000	-	18,000,000	14,280,000	(3,720,000)	-20.67%
Public contributions and donations	-	-	-	-	-	-
Rendering of services- fees from students	16,509,500	-	16,509,500	16,117,240	(453,580)	-2.38%
Sale of goods	-	-	-	11,000	11,000	-
Finance income	-	-	-	-	-	-
Other income	-	-	-	506,900	506,900	-
Gains on disposal, rental income and agency fees	-	-	-	-	-	-
Total Income	34,509,500	-	34,509,500	30,915,140	(3,655,680)	
Expenses						
Compensation of employees	6,912,000	-	6,912,000	4,481,990	(2,430,010)	-35.16%
Use of goods and services	25,317,500	-	25,317,500	20,005,739	(5,311,761)	-20.98%
Finance costs	-	-	-	-	-	-
Rent paid	-	-	-	-	-	-
Remuneration of directors	1,185,000	-	1,185,000	281,000	(904,000)	-76.29%
Repairs and maintenance	1,095,000	-	1,095,000	460,970	(634,030)	
Grants and subsidies paid	-	-	-	-	-	-
Total Expenditure	34,509,500	-	34,509,500	25,229,699	(6,724,521)	
Surplus For the Period	-	-	-	5,685,441		

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- Movement in transfers from other government entities and government grants is due to decrease in grant income received in the year under review
- Movement in rendering of services is due to decrease in student intake during the year under review
- Movement in compensation of employees is due to fewer number of employees during the year under review
- Movement in use of goods and services is due to decrease in receipts of government capitation and receipts from students during the year under review
- Movement in remuneration of directors is due to fewer activities during the year under review

XVIII. Notes to the Financial Statements

1. General Information

Kipsoen Technical and Vocational College is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is technical training.

2. Statement of Compliance and Basis of Preparation

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

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act and with the accrual basis of accounting method under the 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 2022.
- IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.
- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful

Standard	Effective date and impact:
Benefits	Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity'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. 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.
Other improvements to IPSAS	Applicable 1st January 2023 • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> - Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial Instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now

Standard		Effective date and impact:
		superseded by IPSAS 41 which is applicable from 1 st January 2023.
IPSAS 43	The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.	<i>Applicable 1st January 2025</i>
IPSAS 44:	Non-Current Assets Held for Sale and Discontinued Operations Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.	<i>Applicable 1st January 2025</i>

iii. Early adoption of standards

The entity did not early-adopt any new or amended standards in year 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

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

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2021/2022 was approved by the Council or Board on 11/10/2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the financial statements.

c) Taxes

Current income tax

The entity is exempted from paying taxes as stipulated in the first schedule on income tax. Cap 470

Sales tax/ Value Added Tax

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

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

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

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Notes to the Financial Statements (Continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of xxx years.

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

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Kipsoken recognizes such parts as individual assets with specific useful lives and depreciates them accordingly using the **reducing balance depreciation method**.

S.NO	Details	Depreciation rate %
1	building	2.5
2	Motor vehicle	25
3	Furniture and fittings	12.5
4	Computer and accessories	33.3
5	Reference books	25
6	Property, plant and equipment	12.5

4 Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

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

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

g) Intangible assets

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

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

j) Inventories

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

k) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

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

o) Foreign currency transactions

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

p) Borrowing costs

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

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

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

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

r) Service concession arrangements

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

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. No additional disclosure of these estimates of provisions is included. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2021-2022	2020-2021
Unconditional Grants		
Capital Grants	14,280,000	8,850,000
Operational Grant	-	-
Other Grants	-	-
	14,280,000	8,850,000
Conditional Grants		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	14,280,000	8,850,000

(a) Transfers from other Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund. Kshs	Total grant income during the year Kshs	2021-2022
State Department of vocational education training	14,280,000	-	-	14,280,000	14,280,000
Total	14,280,000	-	-	14,280,000	14,280,000

7. Grants from Donors and Development Partners

Description	2021-2022	2020-2021
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Other Grants	-	-
Total Grants from Development Partners	-	-

Reconciliations of grants from donors and development partners

Description	2021-2022	2020-2021
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Yet To Be Met - Remain	-	-
Liabilities	-	-

No grants received from donors

8. Transfers from Other Levels of Government

Description	2021-2022	2020-2021
Transfer from County XX	-	-
Transfer from XX University	-	-
Transfer from XX Institute	-	-
Total Transfers	-	-

9. Public Contributions and Donations

Description	2021-2022	2020-2021
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

No public contributions and donations

10. Rendering of Services

Description	2021-2022	2020-2021
Tuition Fees	5,306,732	8,140,400
Personnel emoluments	2,290,840	-
Electricity, water and conservancy	642,584	-
Repairs, maintenance and improvements	363,980	-
Activity Fees	659,048	-
Industrial Attachment Fees	828,000	-
Examination Fees	4,652,720	57,550
Local travel and transport	592,016	-
Medical expenses	414,000	-
Registration Fees	215,000	-
Students identity card	107,500	-
Total Revenue from The Rendering Of Services	16,117,240	8,197,950

The institution received income from the collection of fees from students only

11. Sale of Goods

Description	2021-2022	2020-2021
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	11,000	-
Cafeteria sales	-	-
Other	-	-
Total Revenue from Sale of Goods	11,000	-

Sale of farm produce-potatoes

12. Rental revenue from facilities and equipment

Description	2021-2022	2020-2021
Hire of Facilities and Equipment	-	-
Contingent Rental	-	-
Operating Lease Revenue	-	-
Total	-	-

No hire of facilities during the year

13. Finance Income

Description	2021-2022	2020-2021
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

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

14. Other Income

Description	2021-2022	2020-2021
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Kati regional athletics games	506,900	-
Total other income	506,900	-

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15. Use Of Goods And Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Teaching and learning materials	9,205,109	3,778,465
Industrial attachment costs	306,900	199,000
Electricity	272,212	150,747
Water	31,770	47,900
Security	-	-
Professional and consultancy services	-	-
Subscriptions	11,200	52,900
Advertising	80,000	-
Examination fees	2,248,950	47,580
Audit fees	-	-
Catering, conferences, and delegations	-	-
Travelling and accommodation	3,158,750	1,038,890
Fuel and oil	397,744	-
Insurance	103,400	21,300
Legal expenses	-	-
Licenses and permits	-	-
Postage	9,450	10,815
Printing and stationery	1,223,929	808,853
Student identity card	73,100	70,350
Activity	2,092,962	68,120
Medical expenses	18,340	-
Skills development levies	-	-
Telephone expenses	-	-
Internet expenses	108,393	75,889
Training expenses	612,560	173,390
Bank charges and commissions	50,970	28,090
Total good and services	20,005,739	6,572,289

16. Employee Costs

Description	2021-2022	2020-2021
Salaries and wages	4,481,990	2,095,160
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Employee Costs	4,481,990	2,095,160

17. Board/Council Expenses

Description	2021-2022	2020-2021
Board of governors expenses	281,000	1,098,300
Directors Emoluments	-	-
Other Allowances	-	-
Other Board/Council Expenses	-	-
Total	281,000	1,098,300

18. Depreciation and Amortization expense

Description	2021-2022	2020-2021
Property, plant and equipment	2,436,505	2,066,290
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	2,436,505	2,066,290

19. Repairs and Maintenance

Description	2021-2022	2020-2021
Property	42,620	17,000
Investment property – earning rentals	-	-
Equipment and machinery	153,750	-
Vehicles	140,100	400,350
Furniture and fittings	-	-
Computers and accessories	124,500	-
Total Repairs and Maintenance	460,970	417,350

20. Contracted Services

Description	2021-2022	2020-2021
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Total contracted services	-	-

21. Grants and Subsidies

Description	2021-2022	2020-2021
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Community Trust	-	-
Sporting Bodies	-	-
Total Grants and Subsidies	-	-

22. Finance Costs

Description	2021-2022	2020-2021
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Total Finance Costs	-	-

23. Gain On Sale of Assets

Description	2021-2022	2020-2021
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

24. Unrealized Gain on Fair Value Investments

Description	2021-2022	2020-2021
Investments at Fair Value	-	-
Total Gain	-	-
	Kshs	Kshs

25. Impairment Loss

Description	2021-2022	2020-2021
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-
	Kshs	Kshs

26. Cash and Cash Equivalents

Description	2021-2022	2020-2021
Current Account	3,078,492.50	4,146,690
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	160,500.00	138,000
Total Cash and Cash Equivalents	3,238,992.50	4,284,690
	Kshs	Kshs

26 (a). Detailed Analysis of Cash and Cash equivalents

	Account number	Kshs	Kshs
Financial Institution			
a) Current Account			
Equity Bank – Fee collection	1530279317994	2,106,222.50	1,693,229
Equity Bank - Capitation	1530279318067	972,270.00	2,453,461
Sub- Total		3,078,492.50	4,146,690
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
Sub- Total		-	-
c) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
e) Others(Specify)			
Cash in Transit		-	-
Cash in Hand		160,500	138,000
Mobile Money account		-	-
Sub- Total		160,500	138,000
Grand Total		3,238,992.50	4,284,690

27. Receivables from Exchange transactions

27(a) Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
Current Receivables		
Student Debtors	2,640,139	3,866,984
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	2,640,139	3,866,984

27(b) Long-term Receivables from Exchange transactions

Description	2021-2022	2020-2021
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	-	-
Total	-	-
Current Portion Transferred To Current Receivables	-	-
Total Non-Current Receivables	6,347,211	-
Total Receivables	6,347,211	-

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

Description	2021-2022	2020-2021
At the beginning of the year	3,866,984	-
Provisions during the year	6,347,211	-
Recovered during the year	1,226,845	-
Write offs during the year	-	-
At the end of the year	8,987,350	-

28. Receivables from Non-Exchange transactions

Description	2021-2022	2020-2021
Current Receivables		
Capitation Grants*	5,342,000	4,957,500
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	5,342,000	4,957,500

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

Description	2021-2022	2020-2021
At the beginning of the year	4,957,500	3,317,500
Additional provisions during the year	3,412,000	4,957,500
Recovered during the year	3,027,500	3,317,500
Written off during the year	-	-
At the end of the year	5,342,000	4,957,500

29. Inventories

Description	2021-2022	2020-2021
Consumable stores	-	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
Total Inventories at lower of Cost and Net Realizable Value	-	-

30. Investments

Description	2021-2022	2020-2021
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub-Total	-	-
b) Investment with Financial Institutions/ Banks		
Bank X	-	-
Bank Y	-	-
Sub-Total	-	-
c) Equity Investments (Specify)		
Equity/ Shares in Company Xxx	-	-
Sub-Total	-	-
Grand Total	-	-

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

Name of Entity where Investment is Held	No of Shares	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	Fair Value of Shares	Fair Value of Shares
		ing	ing	ing	Shares	Year	Prior Year
	%	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-	-
Entity B	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Cost	Land and Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers Kshs	Other Assets- intangible Kshs	Plant and equipment Kshs	Capital Work in progress Kshs	Total Kshs
Depreciation rates	0.025	0.25	.0125	.0333	-	.0125	-	60,937,600
At 1 July 2020	60,000,000	-	339,600	-	-	598,000	-	1,978,000
Additions	-	1,900,000	-	78,000	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
At 30 th June 2021	60,000,000	1,900,000	339,600	78,000	-	598,000	-	62,915,600
Additions	847,246	-	378,000	1,438,000	560,000	-	-	3,223,246
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
At 30 th June 2022	60,847,246	1,900,000	717,600	1,516,000	560,000	598,000	-	66,138,846
Depreciation And Impairment								
At 1 July 2020	1,500,000	-	42,450	-	-	74,750	-	1,617,200
Depreciation	1,462,500	475,000	37,144	25,974	-	65,406	-	2,066,024
Impairment	-	-	-	-	-	-	-	-
At 30 June 2021	2,962,500	475,000	79,594	25,974	-	140,156	-	3,683,224
Depreciation	1,447,094	356,250	79,751	496,179	-	57,231	-	2,436,505
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
At 30 th June 2022	4,409,594	831,250	159,345	522,153	-	197,387	-	6,119,729
Net Book Values	56,437,652	1,068,750	558,255	993,847	560,000	400,613	-	60,019,117
At 30 th June 2021	57,037,500	1,425,000	260,006	52,026	-	457,844	-	59,232,376
At 30 th June 2022	56,437,652	1,068,750	558,255	993,847	560,000	400,613	-	60,019,117

Notes to the Financial Statements (Continued)

Valuation

The College Received donated assets from Ministry of Education as listed below.

1. Land (5 Acres)
2. mechatronics Training equipment's
3. Furniture
4. Computer equipment's
5. College vehicle (Land Rover GKA 363U) donated by Keiyo North CDF.

The college intends to do valuation of all the assets it received from the ministry of Education and will adopt the values in to the financial statements.

31 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
Land	-	-	-
Buildings	60,847,246	4,409,594	56,437,652
Plant And Machinery	598,000	197,387	400,613
Motor Vehicles including Motorcycles	1,900,000	831,250	1,068,750
Computers and Related Equipment	1,516,000	522,153	993,847
Other assets	-	-	-
Capital work in progress - MIS	560,000	-	560,000
Office Equipment, Furniture, And Fittings	717,600	159,345	558,255
Total	66,138,846	6,119,729	60,019,117

32. Intangible Assets

Description	2021-2022	2020-2021
Cost		
At beginning of the year	-	-
Additions	560,000	-
At end of the year	-	-
Additions-internal development	-	-
At end of the year	560,000	-

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Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

Notes to the Financial Statements (Continued)

33. Investment Property

Description	2021-2022	2020-2021
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
At end of the year	-	-

34. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
Trade payables	748,122	286,500
Fees paid in advance	3,764,439	2,444,088
Salary deductions	-	-
Third-Party Payments	-	-
Other Payables	-	-
Total Trade and Other Payables	4,512,561	2,730,588

35. Refundable Deposits from Customers/Students

Description	2021-2022	2020-2021
Consumer deposits	-	-
Cauton money	559,000	344,000
Other refundable deposits	-	-
Total Deposits	559,000	344,000

36. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning Of The Year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision Utilised	-	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-	-
Total Provisions	-	-	-	-	-

37. Finance Lease Obligation

Description	2021-2022	2020-2021
Kshs	Kshs	Kshs
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

Period	Amount	Kshs
Year 1	-	-
Year 2	-	-
Year 3	-	-
Year 4	-	-
Year 5 and Onwards	-	-
Less: Unearned Interest	-	-
	-	-

Notes to the Financial Statements (Continued)

Analysed as:

Description	Amount	Kshs
Current	-	-
Non-Current	-	-
Total	-	-

38. Deferred Income

Description	2021-2022	2020-2021
National Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

The deferred income movement is as follows:

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

Analysed as:

Description	Amount	Kshs
Current	-	-
Non-Current	-	-
Total	-	-

Notes to the Financial Statements (Continued)

39. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other provisions	2021-2022	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

The entity does not operates a defined benefit scheme for all full-time employees. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

Description	2021-2022	2020-2021
	Kshs	Kshs
Discount Rates	x%	x%
Future Salary Increases	x%	x%
Future Pension Increases	x%	x%
Mortality (Pre-Retirement)	x%	x%
Mortality (Post-Retirement)	x%	x%
Withdrawals	xx	xx
Ill Health	xx	xx
Retirement	xx years	xx years

Notes to the Financial Statements (Continued)
Recognition of Retirement Benefit Asset/ Liability

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

Description	2021-2022	2020-2021
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (<i>specify</i>)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

b) Amounts recognised in the Statement of Financial Position

Description	2021-2022	2020-2021
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
Net asset or liability arising from defined benefit obligation	-	-

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 360 per employee per month. Other than NSSF the entity has no other defined contribution scheme. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Notes To The Financial Statements (Continued)

40. Non-Current Provisions

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

41. Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the year	-	-

41 a) Analysis of External and Domestic Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
External borrowings	-	-
Dollar denominated loan from 'xx organization'	-	-
Sterling pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from 'zzz organization'	-	-
Domestic borrowings	-	-
Kenya shilling loan	-	-
Total balance at end of the year	-	-

Notes to the Financial Statements (Continued)
41 b) Breakdown of Long and Short-Term Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Short Term Borrowings(Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

42. Service Concession Arrangements

Description	2021-2022	2020-2021
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

Notes to the Financial Statements (Continued)

43. Cash generated from operations

2021-2022	2020-2021
Kshs	Kshs
Surplus for the year before tax	3,248,936
Adjusted for:	
Depreciation	2,436,505
Non-Cash grants received	-
Contributed assets	-
Impairment	-
Gains and Losses on Disposal of Assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Finance Income	-
Finance Cost	-
Working Capital Adjustments	5,685,441
Increase in Inventory	-
Increase in Receivables	(5,504,866)
Increase in Deferred Income	-
Increase in Payables	1,996,973
Increase in Payments received in advance	-
Net Cash Flow from Operating Activities	2,177,549
	3,331,658

44. Financial Risk Management

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

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or

external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	3,866,984	3,866,984	-	-
Receivables from non-exchange transactions	4,957,500	4,957,500	-	-
Bank balances	4,146,690	4,146,690	-	-
Total	12,971,174	12,971,174	-	-
At 30 June 2022				
Receivables from exchange transactions	8,987,350	8,987,350	-	-
Receivables from non-exchange transactions	5,342,000	5,342,000	-	-
Bank balances	3,078,492.50	3,078,492.50	-	-
Total	17,407,842.50	17,407,842.50	-	-

44. Financial Risk Management (Continued)

(i) Credit risk (continued)

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

The entity has significant concentration of credit risk on amounts due from xxxxx

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

(ii) Liquidity risk management

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

Notes to the Financial Statements (Continued)

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade Payables	-	286,500	-	286,500
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	286,500	-	286,500
At 30 June 2022				
Trade Payables	-	748,122	-	748,122
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	748,122	-	748,122

44. Financial Risk Management (Continued)

(iii) Market risk

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

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

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

Notes to the Financial Statements (Continued)

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
At 30 June 2022			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

44. Financial Risk Management (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

In Kshs	Other currencies	Total
At 30 th June 2022		
Financial Assets (Investments, Cash, Debtors)	-	-
Liabilities		
Trade and Other Payables	-	-
Borrowings	-	-
Net Foreign Currency Asset/(Liability)	-	-

a) Foreign currency sensitivity analysis

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

Effect on equity	Effect on Profit before tax	Change in currency rate	
Kshs	Kshs	Kshs	
			20xx
			Euro
		10%	
	-		
			Usd
		10%	
	-		
			20xx
			Euro
		10%	
	-		
			Usd
		10%	
	-		
			Usd

b) Interest rate risk

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

Management of interest rate risk

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

44 Financial Risk Management (Continued)

(iii) Market risk (Continued)

b) Interest rate risk(continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (2022: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2022 – Kshs xxx)

Notes To The Financial Statements (Continued)

iv) Capital Risk Management

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	10,615,898	7,366,962
Capital Reserve	61,900,000	61,900,000
Total Funds	72,515,898	69,266,962
Total Borrowings	-	-
Less: Cash and Bank Balances	3,238,992.50	4,284,690
Net Debt/(Excess Cash and Cash Equivalents)	0	0
Gearing	0%	0%

45. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Ministry of Education;
- iii) Key management;
- iv) Board of directors

Notes to the Financial Statements (Continued)

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

Description	2021-2022	2020-2021
Transactions with Related Parties	Kshs	Kshs
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (specify)	-	-
Total	-	-
B) Purchases from related parties		
Purchases of electricity from kplc	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others (specify)	-	-
Total	-	-
b) Grants /Transfers from the Government		
Grants from National Govt	-	-
Grants from County Government	-	-
Donations in Kind	-	-
Total	-	-
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	-	-
Payments for Goods and Services for XX	-	-
Total	-	-
d) Key Management Compensation		
Directors' emoluments	-	-
Compensation to Key Management	-	-
Total	-	-

46. Segment Information

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

Notes to the Financial Statements (Continued)

47. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2021-2022	2020-2021
Contingent Assets	Kshs	Kshs
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	2021-2022	2020-2021
Contingent Liabilities	Kshs	Kshs
Court Case Xxx against (<i>The Entity</i>)	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

(Give details)

48. Capital Commitments

Capital Commitments	2021-2022	2020-2021
Kshs	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

Notes to the Financial Statements (Continued)

49. Deferred Tax Liability

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Accelerated Capital Allowances	-	-
Unrealised Exchange Gains/(Losses)	-	-
Revaluation Surplus	-	-
Tax Losses carried forward	-	-
Provisions for Liabilities and Charges	-	-
Net Deferred Tax Liability/(Asset)	-	-
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
Balance at end of the year	-	-

50. Events After The Reporting Period

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

51. Ultimate And Holding Entity

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

52. Currency

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

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XIX. 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	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/CRRO/KTV/C/2021-2022-1-01-1065-23/	Transfers from other government entities	Variances in the Financial statements has been amended	Jonathan Yator Accountant	Resolved	Immediately
OAG/CRRO/KTV/C/2021-2022-1-01-1065-23/	Non-disclosure of capital risk and related party transactions	The management has amended the financial statements	Jonathan Yator Accountant	Resolved	Immediately
OAG/CRRO/KTV/C/2021-2022-1-01-1065-23/	Receivables from exchange transactions	The management has amended the financial statements	Jonathan Yator Accountant	Resolved	Immediately
OAG/CRRO/KTV/C/2021-2022-1-01-1065-23/	Property, plant and equipment i)land ownership	The management commits to fast tract the process of title deed acquisition by requesting the donating institution to facilitate land transfer	Joseph Bitok Principal	Not resolved	By 30 th June 2024
OAG/CRRO/KTV/C/2021-2022-1-01-1065-23/	Property, plant and equipment ii) Donated furniture, motor vehicle, computers and related equipment	The institution is planning to conduct valuation of its assets, land and buildings.	Joseph Bitok Principal	Not resolved	By 30 th June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/CRRO/KTV/C/2021-2022-1-01-1065-23/	Property, plant and equipment iii) Depreciation of property, plant and equipment	The management has amended the financial statements	Jonathan Yator Accountant	Resolved	Immediately
OAG/CRRO/KTV/C/2021-2022-1-01-1065-23/	Property, plant and equipment iv. ownership of the college land rover with registration no. GKA363U	The management to engage the NGCDF to transfer the log book	Joseph Bitok Principal	Not resolved	By 30 th June 2024
OAG/CRRO/KTV/C/2021-2022-1-01-1065-23/	Property, plant and equipment v) lack of handing over report for tuition block and dormitory	The management commits to make a follow up of request to mentoring institution(RVIST) to hand over the tuition block and NGCDF KEIYO NORTH	Joseph Bitok Principal	Not resolved	By 30 th June 2024
OAG/CRRO/KTV/C/2021-2022-1-01-1065-23/	Property, plant and equipment vi) Anomalies in fixed asset register	The management commits to engage the services of a government valuer. Additionally register and code assets appropriately	Joseph Bitok Principal	Not resolved	By 30 th June 2024
OAG/CRRO/KTV/C/2021-2022-1-01-1065-23/	Property, plant and equipment vii) Tagging of fixed assets	The management commits to label and tag the assets	Joseph Bitok Principal	Not resolved	By 30 th June 2024
OAG/CRRO/KTV/C/2021-2022-1-01-1065-23/	Property, plant and equipment	The management has reclassified the management	Jonathan Yator Accountant	Resolved	Immediately

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	viii) misclassification of management information system	information system(MIS) as an intangible asset in the financial statements.			
	Report on lawfulness and effectiveness in use of public resources	1. The management commits to adhere to the timelines during submission of future financial statements 2. The management commits to put in place appropriate measures to ensure employment or appointments done by the institution represent the diversity of the people of Kenya as per national cohesion and integration act, 2008 3. The management commits to put in place an approved human resource plan and staff establishment to guide human capital budgeting and recruitment of staff	Joseph Bitok Principal		
OAG/CRRO/KTV/C/2021-2022-1-01-1065-23/				Not resolved	By 30 th June 2024
OAG/CRRO/KTV/C/2021-2022-1-01-1065-23/	Report on effectiveness of internal controls, risk management and	1. The management commits to undertake an MOU with a			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	governance	government institution to engage their internal auditor in our college internal audit functions. The management had engaged the management of the Eldoret National polytechnic to assist in the internal audit of our institution 2. The management is committed in developing a risk management policy and submit to the board of governors for approval 3. The management commits to establish exclusive server room and have it within its staff establishment a dedicated ICT officer to manage and support ICT systems 4. The management commits to develop	Joseph Bitok Principal	Not resolved	By 30 th June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		creditors management policy			

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Joseph K. BITOK

PRINCIPAL

Date 8/5/2023



Appendix II: Projects Implemented by The Kipsoen Technical and Vocational College

Projects

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

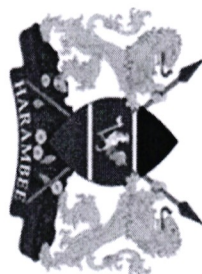
1	N/A	N/A	N/A	N/A	N/A	N/A			
2									

Status of Projects completion

1	N/A	N/A						N/A	
2									
3									

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Appendix III- Inter-Entity Confirmation Letter



KIPSOEN TECHNICAL & VOCATIONAL COLLEGE

Off Eldoret-Iten Road.

P.O. BOX 344-30700 ITEN

TEL: 0797 868 786

Email: kipsocentvc@gmail.com

Website: www.kipsocentvc.ac.ke



The Kipsoen technical and 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 Kipsoen technical and 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 30 th June 2021(E)		Differences (KShs) (F)=(D-E)
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
1628	12.07.2021	2,527,500	-	-	2,527,500	2,545,000	-
1629	05.11.2021	500,000	-	-	500,000	2,082,500	-
1630	18.11.2021	3,495,000	-	-	3,495,000	1,280,000	-
1939	03.03.2022	3,495,500	-	-	3,495,500	1,302,500	-
1940	04.06.2022	3,877,500	-	-	3,877,500	-	-
Total		13,895,500	-	-	13,895,500	7,210,000	-

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

Head of Accountants department of beneficiary Entity:

Name Biteok L. Joseph Sign [Signature] Date 28/5/2023



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Appendix IV: Reporting of Climate Relevant Expenditures

KIPSOEN TECHNICAL AND VOCATIONAL COLLEGE
 0797868786
 Kipsoentvc@gmail.com
 Joseph K. Bitok

Name and contact details of contact person (in case of any clarifications)

N/A	N/A	N/A	N/A								

Kipsoson Technical and Vocational College
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Appendix V: Disaster Expenditure Reporting Template

Date:						
Entity						
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
N/A	N/A	N/A			N/A	