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REPORT

OF

THE AUDITOR-GENERAL

ON

CHAMASIRI TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2024

OFFICE OF THE AUDITOR GENERAL
KAKAMEGA REGIONAL OFFICE
28 MAY 20
RECEIVED

MINISTRY OF EDUCATION
CHAMASIRI TECHNICAL & VOCATIONAL COLLEGE
P.O. BOX 36 – 50209 MALAKISI
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CHAMASIRI TECHNICAL & VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2024

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

Table of Contents

1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Chamasiri Technical and Vocational College is a public institution established in 2019. The institute is located at Chamasiri Location, Teso North Sub-County, Teso North constituency. It stands on an 8-acre piece of land. The construction cost of the twin workshop was contributed by Teso North National Government Constituencies Development Fund (KShs 10,000,000) and GOK (KShs 40,000,000) through the Ministry of Education (MOE). Chamasiri TVC is aligned with the Ministry of Education Vision, Mission and Objectives. Its priorities are in line with the National TVET policy, the Big four agenda and Vision 2030.

Chamasiri TVC has seven Academic Departments as listed below:

1. Building & Civil Engineering
2. Business, Liberal and Information Studies
3. Agriculture
4. Electrical & Electronic Engineering
5. Automotive Engineering
6. ICT
7. Institutional Management

(b) Principal Activities

The principal activity of Chamasiri Technical and Vocational College is to provide training in Artisan, Craft and Diploma levels. The mandate of the college is to: -

- Impart skills to learners
- Promote and carryout research relating to its mandate
- Produce skilled Manpower in the three levels mentioned above.
- Provide extension services to the community
- Provide innovation to solve problems in the society

Vision Statement

To be the premier provider of world class education and skills training for success in a global economy.

Mission Statement

To provide training, research and outreach programs that impart skills and utilize applied knowledge to spur economic growth and respond to the changing needs of Industry and society.

Strategic Objectives

1. To enhance **Access** to TVET training by providing opportunities for all eligible trainees.
2. Promote **Equity** in education and training by providing opportunities for life-long learning.

3. Provide **quality** and relevance in training by developing and encouraging a culture of research, creativity and innovation among trainees and staff.
4. Establish **good governance** for operational efficiency and effectiveness.
5. Enhance attractiveness through strategic collaboration and linkages with research Institutions, industry and professional bodies both nationally and internationally
6. To enhance ICT infrastructure and equipment to bridge the digital divide.

(c) Key Management

Chamasiri TVC's day-to-day management is under the following key organs:
Board of Governors
The principal
The top Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Mr. Lawrence K. Ongati
2.	Deputy Principal Administration	Kevin Isaac Khasenye
3	Deputy Principal Academics	Lily Khendo Simasi
4	Registrar	Timothy Olindi Ombevah
5	Dean of students	Erick Magena Migiro Nyamao
6	Finance Officer	Cellestine Akoth Omollo
7	Procurement Officer	Rachael Mamkiror Etyang'a

(e) Fiduciary Oversight Arrangements

- **Risk and Audit Committee Activities**
- The college Board of Governors has established a committee of the board which provides oversight on the institute financial and other management matters.
-

(f) Entity Headquarters

Chamasiri Technical & Vocational College
P.O. Box 36-50209
Malakisi, Kenya

(g) Entity Contacts

Telephone: 0780971144
E-mail: chamasiritvc@gmail.com
Website: www.chamasiritvc.ac.ke

(h) Entity Bankers

1.Equity Bank
Malaba branch
P.O. Box 98
Kamuriai, Kenya

2.Kenya Commercial Bank
Malaba Branch
P.O. Box 380
Bungoma, Kenya

3. National Bank of Kenya
Bungoma Branch
P.O. Box 25
Bungoma, Kenya.

(i) Independent Auditors

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

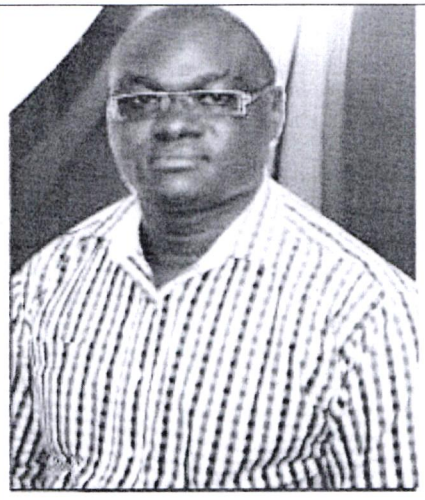
(j) Principal Legal Adviser

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

3.The Board of Governors

No.	Member/ Director	Details
1.		Date of Birth 12/12/1964 **Name:** Gabriel Akimwanary Obasie **Key Qualification**: BCom Finance, Msc Finance and Accounting, CPA (K) and CS (K) **Work Experience: 31Yrs** Mr. Gabriel is the Chair of the Board of Governors
2.		Date of Birth:1980 **Name:** David Nganga **Qualifications:** B.Tech. Mechanical Engineering. **Work Experience: 28Yrs** **PS representative**
3.		Date of Birth 20/12/1984 **Name:** Charles Lagat **Key Qualifications:** Bachelor of Engineering Textile Technology. **Work Experience:16Yrs** Mr. Lagat is member of Education and HR Committee

4.		Date of Birth 12/04/1979 **Name:** Grace Nyagaya **Key Qualifications:** BBC in Computer Scienc UNISA (University of South Africa) **Work Experience: 11Yrs** Ms. Grace is a member of the Risk and Audi Committee.
5.		Date of Birth 1968 **Name:** MR.Lawrence K.Ongati **Key Qualifications:** MBA,PGDE Mr. Ongati is the Principal and the Secretary to th Board of Governors
6.		Date of Birth 20/10/1961 **Name:** Dr Booker Osodo Key Qualification: PhD (Renewable Energy Technology)-KU;MPhil(Tech.Ed);Bed(Tech.Ed)-Mo **Work Experience: 41Yrs** Dr Booker Chairs Education and HR Committee an is a member of Finance and Development Committee

7.		Date of Birth 15/11/1982 **Name:** Engineer Elphas Omondi **Key Qualification: Msc Project Management** (AIU), BSc, Civil Engineering (JKUAT) **Work Experience 19yrs** Eng. Elphas is a member of Education and HR anc Finance and Development Committee.
8.		Date of Birth 1980 **Name:** Emily Mweche Simiyu **Key Qualifications:** Masters in Accounting Kibabi University, BCOM Finance MMUST, Certified Publi Accountants of Kenya (CPAK), and CIFA Part 2. **Work Experience:21yrs** CPA. Mweche chairs the Finance and Developmen Committee of the Board.
9.		Date of Birth 1980 **Name:** Esther Anya Ivan **Key Qualifications:** Bachelor of Laws **Work Experience:25yrs** Ms Esther Chairs the Risk and Audit Committee.

4. Key Management Team

No.	Member	Details
1	 Lawrence K. Ongati	**Principal** Provides innovative and visionary leadership, creates and sustains highly motivated, participatory management team, coordinated the implementation of BOG strategies, promotes academic excellence and efficient administrative and governance practices, maintains public relations as well as linkages among other
2.	 Kevin Isaac Khasenye	Deputy Principal Administration - Bachelor of Education (Arts)-Communication Skills from University of Nairobi. Work Experience:21yrs Supports the principal to manage finances, human resource and college inventory.
3.	 Lily Khendo Simasi	Deputy Principal Academics Date of Birth: 1973 Msc Sciences- Biotechnology

4.	 Timothy Olindi Ombevah Bed Technology Electrical (Telecommunication)	Registrar In-charge of training programmes, Enrolment and marketing of college programmes besides maintaining student records.
5.	 Erick Magena Migiro Nyamao BSC. Business information Technology, PGDE	Dean of Students In-charge of student affairs
6.	 Cellestine Omollo Certified Public Accountants of Kenya (CPAK)	Finance Officer In-charge of financial and accounting duties including financial statements and financial records of the Institution.

7.	 Racheal Mamkiror Etyang'a Bachelor of Commerce Procurement	Procurement Officer In-charge of all procurement duties, and maintaining an inventory record of the college

5. Chairman's Statement

It is with great pleasure that I present this Annual Report and Financial Statements of Chamasiri Technical and Vocational College for the year ended 30th June 2024. I am proud of the achievements that the cooperation within and between the various teams at Chamasiri Technical and Vocational College produced – especially the Board of Governors and the Management Team led by the principal. The college remains committed to all our stakeholders in delivering our set objectives and goals as enshrined in the college's vision and mission as well outlined in our strategic plan.

The college experienced a myriad of challenges during the 2023/2024 financial year. To begin with, lack of adequate funding to support the programs hindered the ability of the college to advance its goals and objectives. The institute seeks to continually enroll more students to bridge the funding gap. Secondly, the college lacked adequate skilled manpower to drive and develop policies. Moreover, the college faced competition from other institutions of higher learning such as universities and national polytechnics who offer similar programs. Finally, negative attitude towards technical education has discouraged potential students from joining the college.

Success;

Linkages with industries mounting industry driven courses,
- government policies strategies and commitments in sponsoring of trainees through KUCCPS and HELB,
- a large population of high school leavers,
- development partner's willingness to support TVET sector, employment opportunities in the private sector

Appreciation

Last but not least, I extend my sincere gratitude to Chamasiri Technical and Vocational College Board of Governors, our principal and the entire Management Team, staff members, students and all stakeholders for their commitment and support to the college. We greatly appreciate the role played by the Government of Kenya in the sustenance and growth of the college. I am very optimistic that Chamasiri Technical and Vocational College is set for a prosperous future. Thank you for your support.
God bless Chamasiri Technical and Vocational College

Signature..... Date 27/1/25

6. Report of the Senior Principal

Chamasiri Technical and Vocational College (CTVC) is a Technical Training Institution that operates under the Ministry of Education. It is charged with the mandate to offer various courses at various levels or stages. Some courses are examined by Kenya National Examinations Council (KNEC); others by National Industrial Training Authority (NITA) while the rest by Kenya Accountants and Secretaries National Examination Board (KASNEB)

Courses examined by KNEC are at three levels namely Artisan, Craft and Diploma while those examined by KASNEB are also at three levels, Certificate in Accountancy and Management Skills (CAMS), Accounting Technician Diploma (ATD), and Certified Public Accountants (CPA). The ones examined by NITA are done at three levels as well namely Trade Test Three, Trade Test Two and Trade Test One in that order.

Besides, the college also offers students computer literacy skills to bridge the digital literacy gap.

The college opened its doors in September 2019 when 305 students were enrolled. At that time it operated under mentorship of Bumbe Technical Training Institute.

At the time of inception all activities were accommodated under a twin workshop building that also has eight classrooms besides the two workshops, library room, Information Communication Technology room, administrative offices and toilets. Also two trainers were posted by the Public Service Commission (PSC) hence BOG staffs were hired for training and support staff all paid by the college.

Fifteen courses were initiated and later approved by the Technical and Vocational Education and Training Authority (TVETA) as per the TVET Act of 2013.

The Kenya government supplied 80 students/ lecture chairs, office furniture and cash safe with the undertaking that tools and equipment were to be supplied but up to date none has been delivered.

The college sits on an 8 acre piece of land that's consolidated into one with a title deed.
To date more developments have been witnessed in the college. Below are some of the land mark achievements so far:

1) Perimeter fence completed with concrete poles and chain link.
2) Main gate with pedestrian exit and entry points.
3) Ten doors pit latrines
4) 9 (5000litre) tanks for harvesting rain water.
5) 120 meters deal borehole for water supply.
6) Three phase electricity power transformer
7) Power /generator house
8) Eight doors office block
9) Building and construction shade for practical lessons
10) Fabricated iron sheet kitchen
11) Cow shade
12) Incomplete four classroom block (65%complete)

13) Incomplete two workshops block
14) 32 computers for training /learning
15) Hairdressing and beauty workshop with tools and equipment
16) Additional lecture chairs
17) 29 sewing machines for tailoring and dressmaking
18) Welding and fabrication machines
19) Tools for automotive training
20) CNC modern lathe machine.
21) 6500 trees planted
22) 2 cows for training/ agriculture
23) 9 tents(100seater) and 350 plastic chairs complementing as classrooms

Most of these projects are a result of the cooperation and support by the NG-CDF Teso North.

The college received 8 public service commission trainers in January 2021.

The college got Board of Governors in 2020 August and they have been very supportive, focused and development oriented. They have been very instrumental in our development goals. As a result the college has seen various milestones in student enrolment, staff capacity building, expansion of training programmes, participation of sporting activities, Research and innovation endeavors as well as community outreach programmes.

However, the college is considered in some areas like land for expansion, college bus and low fee payments, delay in capitation disbursements, shortage of staff both teaching and support, inadequate water supply.

In view of all the above the administration is forecast in implementing the government agenda as outlined in the TVET act of 2013.Specifically in promoting Access, Equity, Quality and Relevance, Collaboration and Linkages, Good Governance, Efficiency and Effectiveness enhancement of ICT, Youth empowerment, self-employment and Entrepreneurship, skills enhancement to youth among other vision 2030 and sustainable development goals, greening the economy through sustainable environmental goals.

7. Statement of Performance against Predetermined Objectives

Chamasiri *TVC* has 6 strategic pillars and objectives within current Strategic Plan for the FY 2021- FY 2026. These strategic pillars are as follows:

Pillar1: Curriculum Implementation & Development
Pillar2: Facilities, Infrastructure, Equipment,
Pillar3 Human Resource
Pillar4 Enrolments And tracer Studies
Pillar5 Resource Mobilization
Pillar6: ICT Integration

Chamasiri *TVC* develops its annual work plans based on the above *6* pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Chamasiri *TVC* achieved its performance targets set for the FY 2023/24 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
CURRICULUM IMPLEMENTATION & DEVELOPMENT	To increase and diversify number of courses offered in CTVC.	1. Number of courses offered 2. No. of accredited and licensed courses	1.Acquire approved course syllabi 2.Obtain accreditation and licensing from relevant legal and regulatory bodies 3.Implement course content 4.Promote flexible and blended learning 5.Introduce virtual learning	1.Five new course introduced, includin virtual learnin options. 2. Three additiona courses accredited b relevant bodies. 3. Implemente blended learning i 50% of programs.
FACILITIES, INFRASTRUCTURE, EQUIPMENT, MACHINES & TOOLS	To upgrade the College's facilities and infrastructure	Number of renovations and expanded facilities	1.Conduct renovation of existing facilities 2.Improve the existing pathways	1.Renovatedthe library and mai administrative block 2. Improve pathways in all ke areas of the campus.
		Maintenance system	**1.**Establish maintenance	1.Maintenance system operationa

		reports	system 2. Set up a maintenance programme 3. Conduct annual scheduled maintenance	2. First annua maintenance completed o schedule
	To increase the number of classrooms, laboratories, workshops, offices and other amenities and sanitation facilities		1. Develop a master plan for the Institute	Master pla completed an approved fc implementation
HUMAN RESOURCE	To recruit, capacity build and maintain qualified staff	Number of qualified staff awarded Reviewed terms and conditions of service Number of staff appraised and promoted Number of awards for staff	1.Conduct competitive recruitment of non-teaching staff 2.Review terms and conditions of service 3.Capacity build the staff. 4.Appraise staff annually	1.new non-teachin staff recruitec 2. Staff capacit building conducte through 5 workshop
	To provide an enabling environment for the staff to develop themselves.	Number of seminars and workshops conducted Attachment reports	1. Conducting seminars and workshops. 2.Providing human resource fund for training 3. Attaching staff in relevant industries.	1.Three seminars an two workshop conducted. 2. Ten staff attache to industry for skill development
		Appraisal reports generated.	1.Document performance reward policy 2.Conducting annual staff	

			appraisal for promotion 3: implementation of the recommendation of the annual staff appraisal 4.Implement performance reward system	
	Aggressively solicit for more staff from PSC	No. of PSC staff Establishment.		new staff hire through PSC, fillin critical gaps i technical departmen
	To recruit, capacity build and maintain qualified staff		Monitor the optimum capacity per course	
ENROLLMENT ANDTRACER STUDIES	1. To determine the optimum carrying capacity of every course	carrying capacity report	Carry out continuous marketing to maintain visibility	1.Capacity studie completed for fiv core course: 2. Marketing effort increased th visibility of th institution throug social media an outreach programs.
	2. Increasing the retention and completion rates of students	Evidence of marketing	Increase the enrolment by 450 students annually to achieve a student population of 2,886 by 2026	1.Enrolment increased by 30 students. 2. Retention rate increased by 15% 3. 50% more student benefited fro loan/bursary allocations.
		Enrolments statistics		
		Number of online courses		
		Increased % in retention Rates		

		List of beneficiaries for loan/bursary allocations		
RESOURCE MOBILIZATION	To identify, secure and manage financial resources efficiently and effectively.	Audit reports Accounts statements Progress reports	National and	Successfully secure an additional Kshs million from th county governmer for infrastructur upgrades.
			county governments for	
			additional funds	
ICT INTEGRATION	To integrate ICT in management and teaching-learning	Audit reports Number of computers Range of application software Number & quality of CCTV camera points; % coverage of CCTV cameras and Wi-Fi	1.Develop an ICT Policy 2. Conduct a systems audit of existing ICT infrastructure. 3. Acquisition and installation of requisite hardware 4. Acquisition development and application of supportive software 5..Install CCTV network 6. Establish internet bandwidth based on usage and demand 7. Establish Wi-Fi coverage to the entire institute compound. 8. Acquisition and installation of requisite software and equipment for	**1.** ICT Polic developed an adopted. 2. System aud completed. 3. 40 new computer acquired. 4. Full CCT' coverage and 90% Wi-Fi coverag achieved across th campus.

			the Virtual learning center	
		Number of modules in MIS	1. Establish MIS to capture all administrative functions within plan period 2. Conduct a Systems Audit 3. Implement recommendations of ICT audit and ICT policy 4. Secure the college Management Information System.	1.MIS syster established an implemented acros all administrativ functions. 2. System aud recommendations fully implemented
		Number of computers		

8. Corporate Governance Statement

The members of board have committed themselves to the service of Chamasiri Technical and Vocational College and to uphold the tenets of good corporate governance by being innovative, transparent, accountable, persons of integrity, socially responsive, as well as promote excellence and exercise fairness in all their dealings.

The Board of Governors

The Board of Governance consists of 9 members inclusive of the principal as its secretary. The Board of Governance members and their meeting attendance are indicated below;

	NAME	FULL BOARD MEETING				
		DATE	DATE	DATE	DATE	DATE
		26/09/2023	10/01/2024	12/02/2024	11/04/2024	25/06/2024
1.	Gabriel Obassie	√	√	√	√	√
2.	Charles Lagat	√	√	√	√	√
3.	Grace Nyagaya	√	√	√	√	√
4.	Joseph Okumu Ogot	√	√	√	√	√
5.	Dr Booker Osodo	√	√	√	√	√
6.	ENG. Elphas Omondi	√	√	√	√	√
7.	CPA Emily Mweche	√	√	√	√	√
8.	David Nganga	√	√	√	√	√
9.	Esther Anya Ivan	√	√	√	√	√

The biographies of the Board Members are published on page vi-vii. These Board Members possess abroad range of skills, qualifications and experiences required to direct the affairs of the college.

Board Responsibilitie The board undertakes the following responsibilities;

1. The BOG is the governing body of the college through which the college acts and undertakes the following;

   a) Administers the property and funds of the college in a manner and for the purposes which promotes the interest of the college; but the Board of Governance does not charge or dispose of immovable property of the college except in accordance with the procedures laid down by the Government of Kenya;

   b) Receives, on behalf of the Institute, donations, endowments, gifts, grants or other moneys and make disbursements there from to the Institute or other bodies or persons;

   c) Provides for the welfare of the staff and students of the Institute;

   d) May enter into association with other universities, Institute's or other institutions of learning, whether within Kenya or otherwise, as the Board of Governance may deem necessary and appropriate; and

   e) May, after consultation with the Academic Board, make regulations governing the conduct and discipline of the students of the Institute.

2. All documents, other than those required by law to be under seal, made on behalf of the Board of Governance, and all decisions of the Board of Governance may be signed under the hand of the Chairman, the Principal or any other members of the Board of Governance generally or specifically authorized by the Board of Governance in that behalf.

3. Ensures that a proper management structure is in place and that the structure functions to maintain corporate integrity, reputation and responsibility.

4. Monitors and evaluates the implementation of strategies, policies, and management criteria and plans of the Institute.

5. Constantly reviews the viability and financial sustainability of the Institute, and does so once every year.

6. Ensures that the Institute complies with all the relevant laws, regulations, governance practices, accounting and auditing standards.

Board of Governors Committees

The Board of Governors Committees facilitate decision-making to assist the Board of Governors in the execution of its duties, powers and authority, however delegation of authority to the Committees does not in any way mitigate or dissipate the discharge by the Board of Governors of it's duties and responsibilities. Board of Governors Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Board of Governors.

In the financial year 2023/2024 the Board of Governors approved the following committees

1. FINANCE AND DEVELOPMENT COMMITTEE

Members are listed below;

NO.	NAME			
		DATE	DATE	DATE
		26/09/2023	27/01/2024	11/04/2024
1.	CPA Emily Mweche Simiyu	√	√	√
2.	Booker Osodo	√	√	√
3.	Joseph O. Ogot	√	√	√
4.	Elpas Omondi	√	√	√

2. AUDIT AND RISK MANAGEMENT COMMITTEE

Members are listed below;

NO.	NAME	
		DATE
		19/04/2024
1.	Esther Anya Ivan	--
2	Felix Okinyi-Internal Auditor/Secretary	√
3	Grace Nyagaya	√
4	Charles Lagat	√

3.HR, EDUCATION AND RESERCH COMMITTEE

S/NO.	NAME	DATES			
		17/10/2023	5/02/2024	13/04/2024	19/05/2024
1	Dr Booker Osodo	√	√		√
2	Charles Lagat	√	√		√
3	Eng. Elphas Omondi	√	√		√
4	David Nganga	√	√		√

9. Management Discussion and Analysis

1. Operational Performance

Chamasiri Technical and Vocational College has maintained a stable financial position for the fiscal year 2023/2024. The institution has achieved positive outcomes in terms of operational efficiency and resource management.

1. Cash and Cash Equivalents: The college reported Kshs 139,732 in cash and cash equivalents, which, while modest, reflects sufficient liquidity to handle day-to-day operations.

2. Receivables: The institution is owed Kshs 94,000,000 in receivables from exchange transactions, primarily due to student fee arrears. This amount constitutes a significant portion of the institution's current assets, and its recovery will be critical for future financial stability. The management is keen to improve collection processes to enhance liquidity.

The focus for the coming year will be on improving cash flow by intensifying efforts to recover outstanding student fees and managing expenses carefully to avoid any strain on operations.

2. Financial Position

The college's financial health remains robust, as reflected in its total assets amounting to Kshs 183,214,152.

Current Assets: The total current assets are Kshs 95,375,652, comprising cash, inventories, and receivables. The institution focus on reducing receivables to improve liquidity.

Non-Current Assets: Property, plant, and equipment (PPE) stand at Kshs 87,838,500, reflecting ongoing investments in infrastructure and ensuring the college has the necessary physical resources to support its operations and future growth.

Liabilities: The college has minimal liabilities, with total current liabilities at Kshs 2,102,440. These liabilities primarily consist of trade and other payables from exchange transactions. This low liability level highlights effective financial management and the ability to meet short-term obligations.

3. Key Projects and Investments

The college has invested significantly in property, plant, and equipment, totalling Kshs 87,838,500 . This investment reflects ongoing capital development projects aimed at improving facilities and ensuring the college continues to provide high-quality technical education.

4. Compliance with Statutory Requirements

The college has consistently complied with statutory requirements, as evidenced by the low level of trade and other payables. Management has ensured that the institution meets its obligations on time, maintaining good standing with suppliers and service providers.

5. Risks and Challenges

i. Receivables Risk: The college faces a significant risk related to its Kshs 94,000,000 in receivables from exchange transactions. This represents unpaid student fees,

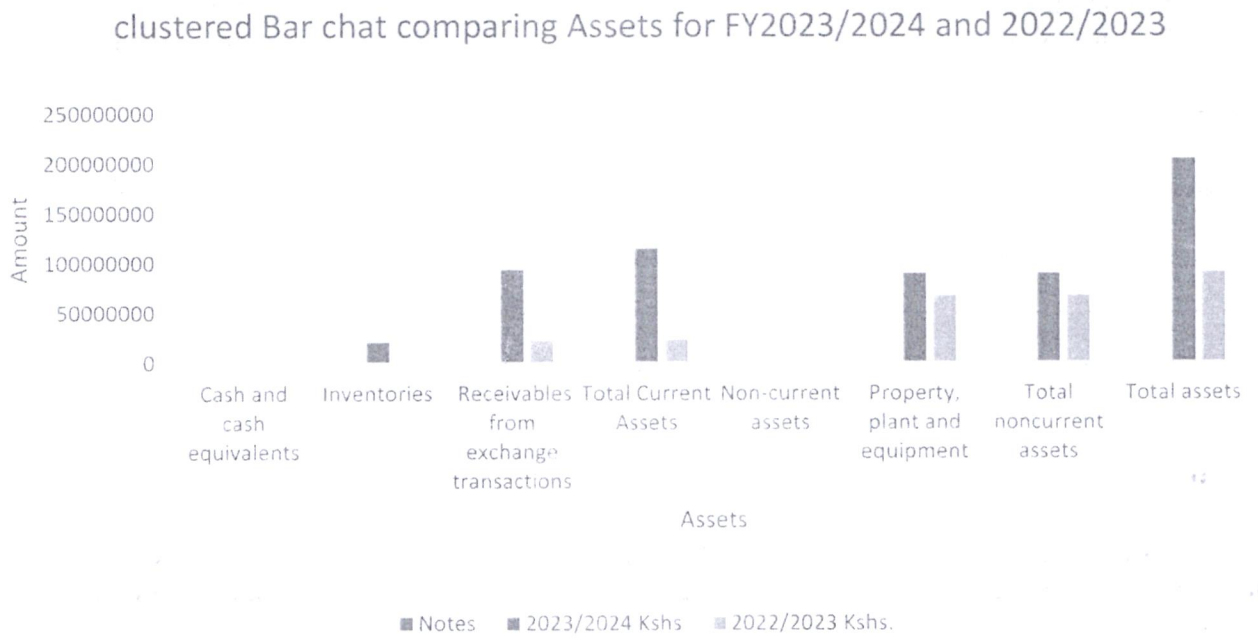
ii. Liquidity Risk: With cash and cash equivalents standing at Kshs 139,732, liquidity is a potential concern. However, the institution's focus on enhancing fee collection will mitigate this risk and improve cash flow management.

7. Future Outlook

Moving forward, the college plans to:

i. Focus on recovering receivables to improve liquidity.

ii. Continue investing in capital projects, ensuring students have access to modern learning facilities and resources.



10. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of Chamasiri TVC affairs.

Principal activities

Chamasiri Technical and Vocational College is dedicated to the following mandate:

- Training and Development: We focus on training and developing middle-level manpower essential for national development. Our programs are designed to advance, transmit, and enhance technical and entrepreneurial skills and knowledge, preparing individuals for self-employment and contributing to the national production system.

- Educational Offerings: The College offers a range of courses leading to the award of Artisan, Craft, and Diploma Certificates in various Technical and Vocational Education and Training (TVET) programs. We collaborate with other tertiary institutions and industry partners to ensure that our courses are relevant and aligned with industry standards and needs.

Results

The results of Chamasiri TVC for the year ended JUNE 30TH 2024 are set out on (page 1-4)

Board of Governors

The members of the Board who served during the year are shown on pages vi-viii. As of 30 June 2024, no members of the Board of Governors retired or resigned during the year.

Auditors

The office of the Auditor General is responsible for the statutory audit of the Chamasiri Technical And Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants were nominated by the Auditor General to carry out the audit of Chamasiri Technical And Vocational College for the period 1st June 2023 to 30th June 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....

Secretary of the Board
Chamasiri TVC
Date: 27/5/25

11. Statement of Board of Governors Responsibilities

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

The Board members are responsible for the preparation and presentation of financial statements, which give a true and fair view of the state of affairs of Chamasiri TVC for and as at the end of the financial period 1 June 2023 to 30 June 2024.

This responsibility includes: (I) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Chamasiri Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 29 of scheduled 2 of the technical and vocational Education and training Act 2013. The Board members are of the opinion that Chamasiri Technical and Vocational College financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30th 2024 and of the college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Chamasiri technical and vocational college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Chamasiri TVC financial statements were approved by the Board on 23rd September 2024 and signed on its behalf by:

.....	.....
Name Gabriel A. Obasi	**Name** Lawrence K. Onyato
Chairperson of the Board	**Accounting Officer/Principal**

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON CHAMASIRI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Chamasiri Technical and Vocational College set out on pages 1 to 34, which comprise the statement of financial

position as at 30 June, 2024 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 Chamasiri Technical and Vocational College as at 30 June, 2024 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 and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.Unaccounted for Repairs and Maintenance Costs

The statement of financial performance reflects an amount of Kshs.988,234 in respect of repairs and maintenance as disclosed in 14 to the financial statements. Included in this, is an amount totaling Kshs.596,000 which was drawn by two staff for repair works. However, the payment vouchers containing full details, clear narrations and particulars of the items which they related to were not provided for audit review.

In addition, these amounts were drawn by senior management personnel and no justification was provided on why the money was not paid directly to services providers and no evidence of repairs done was provided for audit review.

In the circumstances, the accuracy and regularity of the repairs and maintenance expenditure of Kshs.596,000 could not be confirmed.

2.Irregular Payments of Allowances to Members of Staff

The statement of financial performance reflects an amount of Kshs.2,394,400 in respect of board expenses as disclosed in Note 12 to the financial statements. Review of the ledgers in support of the amount and the payment vouchers provided for audit revealed that Kshs.561,600 was paid out as allowances to the College staff. However, the basis of the payments, the rate and the tasks undertaken by the officers were not disclosed.

In the circumstances, the accuracy and regularity of board expenses amount of Kshs.561,600 paid as allowances to the College staff could not be confirmed.

3.Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects a balance of Kshs.139,732 in respect of cash and cash equivalents, as disclosed in Note 15 to the financial statements. However, the

balance was not supported by adequate relevant documents like monthly bank reconciliation statements for all the months and properly maintained cash books with monthly totals and fair balances carried forward.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.139,732 could not be confirmed.

4. Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects a balance of Kshs.94,000,000 in respect of receivables from exchange transactions, as disclosed in Note 17 to the financial statements. Included in this, is a balance of Kshs.13,947,726 which had been outstanding for over one (1) year and there was no evidence that Management had put in place mechanisms to recover the long outstanding debts.

In the circumstances, the accuracy, completeness and recoverability of the receivables from exchange transactions balance of Kshs.13,947,726 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final budget and actual on comparable basis amounts of Kshs.54,037,184 and Kshs.35,874,389 respectively, resulting to under-funding of Kshs.18,162,795 or 34% of the budget. Similarly, the College spent Kshs.26,529,377 against an approved budget of Kshs.39,537,184 resulting to an under-expenditure of Kshs.13,007,807 or 33% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in

the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, issues were raised under the Report on Financial Statements and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given explanation for the delay in resolving the issues.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.Failure to Provide Relevant Procurement Documents

The statement of financial position reflects a balance of Kshs.87,645,246 in respect of property, plant and equipment as disclosed in Note 18 to the financial statements. However, review of the procurement records provided for audit revealed that

Management incurred a total of Kshs.3,134,440 in purchase of building materials without proper procurement procedures. The procurements lacked quotations, evaluation reports, professional opinions, award of contracts letters, counter receipt and issue vouchers (S11 and13), delivery notes, and invoices.

This was contrary to Section 70(4) of the Public Procurement and Asset Disposal Act,2015, which states that, an Accounting Officer of a procuring entity shall be responsible for the preparation of tender documents in consultation with the user and other departments.

In the circumstances, Management was in breach of the law

2. Regularity of Human Resource Management Practices

2.1 Non-Compliance with One Third Basic Salary Rule

The statement of financial performance reflects an amount of Kshs.8,528,139 in respect of employee costs. Review of the documents provided for audit and analysis of the payroll revealed that two (2) employees received less than one third of their basic salary during the period between April 2024 to June 2024.

This was contrary to Section 19 of the Employment Act 2007, which provides that the total amount of all deductions which under the provisions of Subsection (1) may be made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages or additional or other amount as maybe prescribed by the Minister either generally, or in relation to a special employer or employees or class of employers or employees or any other trade or Industry.

In the circumstances, Management was in breach of the law

2.2 Irregular Recruitment of Staff

During the year under review, six (6) members of staff were recruited as shown in the payroll provided for audit. However, review of their personal files and other records did not show the particulars of those vacancies advertised by the College, their shortlisting, interviews and recruitment process.
Further, as at the time of audit in April 2025, five (5) out of the six (6) newly recruited staff had left in their own volition, but one staff member was still in employment. In addition, recruitment plan was not provided for audit review.

This was contrary to Paragraph B.2(2) of the Human Resource Policies and Procedures Manual for Public Service, 2016 which states that, on the basis of the Human Resource plans, Departments shall be required to develop annual recruitment plans which will be forwarded to the Public Service Commission at the beginning of each financial year to enable it to plan for the vacancies.

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

2.3 Noncompliance with Law on Staff Ethnic Diversity

Review of the Institute's staff biodata and the payroll for the month of June 2024, revealed that the College had a total of seventy-seven (77) staff members out of whom forty-five (45) or 58% were from one ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

2.4 Prolonged Suspension of a Senior Management Staff

Review of staff records maintained by the College revealed that a senior management employee was sent on a three (3) months suspension vide suspension letter referenced CTVC/ADMN/003/SL/VOL1, dated 6 September,2024. The terms of suspension included under clause 6 that, the suspension was without pay. The case had not been concluded as at the time of audit in April, 2025, more than six months after its inception.

This was contrary to clause 4 (I) of the Public Service Discipline Manual, 2013 (Revised 2022) which states that, disciplinary cases shall be dealt with promptly and finalized within a period of six (6) months.

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

3.Lack of Imprest Management System

The statement of financial performance reflects use of goods and services amount of Kshs.16,721,044. Included in this amount is an amount totaling Kshs.3,812,460 in respect of local transport and travel, as disclosed in Note 10 to the financial statements. However, it was observed that Management did not have an imprest management system to manage staff advances during safaris. Management lacked imprest warrants and imprest register for issuance of imprests.

This was contrary to Regulation 92 of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer or AIE holder shall approve the establishment of an imprest facility including the maximum amount for the specific purpose of that facility.

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

4. Non Gazettement of Board of Governors

The statement of financial performance reflects an amount of Kshs.2,394,400 in respect of remuneration of the Board for the year ended 30 June, 2024 and as disclosed in Note 12 to the financial statements. It was observed that the Cabinet Secretary for Education appointed eight (8) persons to the Board of Governors of the College for a period of three (3) years with effect from 11 March, 2024 through individual appointment letters.

However, no Gazette notices were provided for audit review to support the appointments as required by Chapter 1.1.11 of Mwongozo Code of Governance Guidelines, which states that each Board Member shall be formally appointed to the Board through a Gazette notice and thereafter be issued with the appointment letter to which they signify their acceptance in writing.

In the circumstances, the appointing authority was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1.Failure to Maintain Petty Cash Book

It was observed that Management withdraws cash from two accounts held in local banks for unspecified uses. However, Management did not maintain a petty cash book to record receipts and payments.

In the circumstances, existence of internal controls over petty cash management could not be confirmed.

2.Unexplained Increase in Remuneration of Board of Governors

The statement of financial performance and as disclosed in Note 12 reflects Kshs.2,394,400 in respect of remuneration of Board of Governors. However, the audited financial statements for the previous year ended 30 June, 2023 reflects Kshs.347,400, for the same expenditure, resulting to an increase of Kshs.2,047,000 or 689.23%. Review of the Board minutes provided revealed that the Board had six (6) sittings and the rates for each sitting fluctuated. No attendance schedule for each meeting and the amounts of entitlement were provided for audit review.

In the circumstances, the effectiveness of internal controls on the use of funds meant for the remuneration of the Board could not be confirmed.

3.Preparation of Annual Report and Financial Statements by Non-Staff Member

Review of records maintained by the College revealed that the annual report and financial statements prepared and submitted for audit were prepared by a Finance Officer, ICPAK No.34170 who was not an employee of the College.
This was contrary to Regulation 23(1)(c) of the Public Finance Management (National Government) Regulations 2015, which states that Accounting Officers shall, in accordance with Article226(2) of the Constitution and Section 68(1) of the Act, be accountable to the National Assembly and for maintaining effective systems of internal control and the measures taken to ensure that they are effective.

In the circumstances, existence of effective internal controls over preparation of financial statements could not be confirmed.

5. Cash Withdrawals for Unspecified Purposes

The statement of financial position reflects cash and cash equivalents balance of Kshs.139,732 as disclosed in Note 15 to the financial statements. However, review of the records provided for audit revealed that Management was engaged in unexplained cash withdrawals from two bank accounts held at local banks, by two officers twenty-seven (27) times totaling Kshs.4,509,830, an indicative of lack of sound cash management practices. Further, Management did not provide supporting documentation for the cash withdrawals.

In the circumstances, existence of effective internal controls over cash could not be confirmed and uncontrolled cash withdrawals could lead to loss of public funds through fraudulent activities

Responsibilities of the Management and the Board of Governors

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 June, 2025

13. Statement of Financial Performance For The Year Ended 30 June 2024

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants	6	21,785,350	7,994,000
Public contributions and donations	7	19,762,300	-
		41,547,650	**7,994,000**
Revenue from exchange transactions			
Rendering of services- Fees from students	8	93,945,313	11,677,475
Other income	9	196,000	-
Revenue from exchange transactions		94,141,313	11,677,475
Total revenue		**135,688,963**	**19,671,475**
Expenses			
Use of goods and services	10	16,721,044	6,724,580
Employee costs	11	8,528,139	3,768,771
B.O.G allowances	12	2,394,400	347,400
Depreciation	13	8,945,310	2,475,374
Repairs and maintenance	14	988,234	307,680
Total Operating expenses		**37,577,127**	**13,623,805**
Net Operating Surplus for the year		**98,111,836**	**6,047,670**

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

Colonel A Obasi

Lawrence Ongili

Omollo Cellestine Omollo

Chairman of Board	Principal	Finance Officer
		ICPAK No 34170
Date 27/6/25	Date 27/6/25	Date 27/6/25

14. Statement of Financial Position As At 30th June 2024

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs.
Assets			
Current assets			
Cash and cash equivalents	15	139,732	118,156
Inventories	16	3,896,677	215,880
Receivables from exchange transactions	17	94,000,000	22,772,307
Total Current Assets		**98,036,409**	**23,106,343**
Non-current assets			
Property, plant and equipment	18	87,645,246	67,477,260
Biological Assets	19	206,000	-
Total noncurrent assets		87,851,246	67,477,260
Total assets (A)		**185,887,655**	**90,583,603**
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	2,102,440	4,771,224
Refundable deposits			139,000
Total current liabilities		**2,102,440**	**4,910,224**
Total liabilities (B)		**2,102,440**	**4,910,224**
Net assets (A-B)		**183,785,215**	**85,673,379**
Represented By:			
Accumulated surplus		110,718,540	12,606,704
Capital Fund		73,066,675	73,066,675
Net assets		**183,785,215**	**85,673,379**

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

Gabriel A. Obasie

.....

Chairman of Board

Date 27/5/25

Lawrence K. Orgutu

.....

Principal

Date 27/5/25

.....

Celestine Omollo

Finance Officer

ICPAK No 34170

Date 27/5/25

15. Statement of Changes in Net Asset For The Year Ended 30 June 2024

Description	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2022	**6,559,034**	73,066,675	79,625,709
Surplus for the year	6,047,670		6,047,670
At June 30, 2023	12,606,704	73,066,675	85,673,379
			-
At July 1, 2023	12,606,704	73,066,675	85,673,379
Additions during the year	-		
Surplus for the year	98,111,836	-	98,111,836
Retained earnings			
At June 30, 2024	**110,718,540**	**73,066,675**	**183,785,215**

16. Statement of Cash Flows For The Year Ended 30 June 2024

Description		2023/2024	2022/2023
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. Grants	6	21,785,350	7,994,000
Rendering of services- Fees from students	8 (a)	13,893,093	11,677,475
Other income	9	196,000	0
Total Receipts		35,874,443	19,671,475
Payments			
Use of goods and services	8(a)	15,199,720	6,724,580
Compensation of employees	8 (a)	7,947,023	2,061,160
Bog allowances	12	2,394,400	347,400
Repair and maintenance	14	988,234	307,680
Total Payments		**26,529,377**	**9,440,820**
Net cash flows from operating activities		**9,345,066**	**10,230,655**
Cash flows from investing activities			
Decrease/Increase in current payable			3,412,177
Decrease/Increase in current receivable			-14,592,958
Purchase of property, plant, equipment		-9,323,490	
Net cash flows used in investing activities		**21,576**	**-11,180,781**
Cash flows from financing activities			
Capital/development grants/transfers			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		**21,576**	**-950,126**
Cash and cash equivalents 1 JULY2023		118,156	1,068,282
Cash and cash equivalents 30 JUNE 2024		**139,732**	**118,156**

Note

The total cash receipts from rendering of services (student fees) amounting to Kshs. 13,893,093 reported under cash flows from operating activities for the year ended 30 June 2024, comprise:

- Kshs. 8,824,581 collected from outstanding student receivables as at 30 June 2023 prior year
- Kshs. 5,068,512 collected from current year billings for the year ended 30 June 2024.

17. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**%**
Transfers from other National Government entities	22,280,000	-	22,280,000	21,785,350	494,650	98%
Rendering of services- fees from students	28,382,184	-	28,382,184	13,893,039	14,489,145	49%
Other income	3,375,000	-	3,375,000	196,000	3,179,000	6%
Total Income	**54,037,184**	**-**	**54,037,184**	**35,874,389**	**18,162,795**	
Expenses						
Expenses						
Use of goods and services	29,003,931	-	29,003,931	15,199,720	13,804,211	52%
Employee costs	7,000,000	-	7,000,000	7,947,023	(947,023)	114%
Board Expenses	1,964,000	-	1,964,000	2,394,400	(430,400)	122%
Repairs and maintenance	1,569,253	-	1,569,253	988,234	581,019	63%
Total Expenditure	**39,537,184**	**-**	**39,537,184**	**26,529,377**	**13,007,807**	67%
Surplus For the Period	**14,500,000**	**-**	**14,500,000**	**9,345,012**	**5,154,988**	64%
Capital Expenditure	14,500,000	-	14,500,000	9,323,490	5,176,510	64%

(Budget notes)

a) Transfers from other National Government entities: The underperformance of 2% was due to delayed disbursement of part of the allocated funds.

b) Rendering of services – fees from students: The 49% collection rate was due to challenges in fee payment compliance.

c) Other income: The significant shortfall was because some expected revenue streams did not materialize during the period.

d) Employee costs: The 14% over-expenditure was due to unbudgeted allowances and statutory adjustments.

e) Board expenses: The 22% over-expenditure was driven by increased board Meetings.

f) Capital expenditure: The 64% utilization was because the College received Kshs. 5,000,000 from the Government specifically for classroom construction,

Note 8(a)

Reconciliation Between Statement of Financial Performance and Budget Performance

Items	Amount in the statement of financial performance	Amount in the statement of budget performance	Difference	Explanation
Rendering of services – Fees from students	93,945,313	13,893,039	80,052,274	Student fee arrears for the period on accrual basis
Use of goods & services	16,721,044	15,199,720	1,521,324	Trade payables
Employee costs	8,528,139	7,947,023	581,116	Unremitted statutory deductions
Total Operating Expenses	37,572,879	26,529,377	11,043,502	Depreciation non cash and trade payables
Capital Expenditure comparison between PPE and Actual Budget (Actual)	29,319,296	9,323,490	19,995,806	Non-Cash Items Computers and Bus

18. Notes to the Financial Statements

1. General Information

Chamasiri TVC was established and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

The Annual Report and Financial Statements were prepared by CPA Cellestine Akoth Omollo, ICPAK NO 34170 .The Finance officer of Dr. Daniel Wako Murende Tvc because the finance Officer of Chamasiri Tvc was chronically absent to discharge the duties of the finance officer

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 judgment in the process of applying the Chamasiri TVC *s* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Chamasiri TVC. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There are no new standards in the year ended 30th June 2024

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43: Leases	***Applicable 1st January 2025*** 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.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	***Applicable 1st January 2025*** The Standard requires, 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.
IPSAS 45: Property Plant and Equipment	***Applicable 1st January 2025*** The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

	ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	***Applicable 1st January 2026*** This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	***Applicable 1st January 2026*** The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	***Applicable 1st January 2026*** The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii. Early adoption of standards

Chamasiri TVC did not early adopt any new or amended standards in year FY 2023/2024 .

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. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have 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.

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 2023/2024 was approved by the Council or Board on 31/1/2023 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 to conclude the final budget. Accordingly. 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 cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page ***5*** under section ***18*** of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per Schedule 2 of the Income Tax Act (Cap 470). Therefore, no provision for income tax is required in these financial statements

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. 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 or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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 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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

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

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

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.

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.

Inventories

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 Chamasiri TVC.

k) Provisions

Provisions are recognized when the Chamasiri TVC 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 Chamasiri TVC 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 Chamasiri TVC 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 Chamasiri TVC 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 Chamasiri TVC 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.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Changes in accounting policies and estimates

Chamasiri TVC 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) 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.

o) Related parties

Chamasiri TVC 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.

p) 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, Chamasiri Tvc also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

q) 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.

r) Comparative figures

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

s) 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, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of Chamasiri TVC 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

6. Transfers from other National Government entities

Description	2023/2024	2022/2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	16,785,350	7,994,000
Total unconditional Grants	**16,785,350**	**7,994,000**
Conditional Grants		
Development Grant	5,000,000	-
Total Government Grants and Subsidies	**21,785,350**	**7,994,000**

7. Public Contributions and Donations

Description	2023/2024	2022/2023
	Kshs	Kshs
Jitume Computers	10,000,000	-
College Bus	9,762,300	-
Total Donations and Contributions	**19,762,300**	-

The college received non-cash donations from the Ministry of Education in the form of a bus and Jitume computers. These items were donated directly and no funds were transferred to the institution in respect of these assets

8. Rendering of Services

Description	2023/2024	2022/2023
	KShs	KShs
Activity fees	7,349,563	1,684,878
Tution	24,599,779	
Industrial attachment fees	2,248,049	810,000
Examination fees	2,856,564	476,975
Library fees	2,409,049	607,500
Electricity, water and Conservancy	6,698,517	607,500
Local transport and travelling	6,978,403	1,154,250
Registration fees	2,883,549	139,000
Personal Emolument	16,638,249	3,470,772
RMI	6,161,365	538,650
Contingencies	2,410,514	607,500
Medical Cost	3,915,341	409,050
Student council	1,774,669	364,500
Development	1,584,634	-

Student ID	1,604,949	83,400
Computer Literacy	1,756,149	278,000
Insurance	2,075,976	445,500
Total revenue from the rendering of services	**93,945,313**	**11,677,475**

9. Other Income

Description	2023-2024	2022-2023
	Kshs	Kshs
Income from sale of tender	5000	-
Hire of college bus	191,000	-
Total other income	**196,000**	-

10. Use of Goods and Services

Description	2023-2024	2022-2023
	Ksh	KShs
Teaching and learning materials	696,281	-
Industrial attachment costs	40,500	69,300
Electricity	117,615	89,427
Security	481,800	-
Student council	137,580	-
Examination fees	925,960	296,470
Local transport and travel	3,812,460	736,983
Administration cost	9,610,789	5,510,795
medical	38,940	-
Activity	483,960	-
Book fund	111,116	-
Stationaries	120,800	-
Advertisement	119,500	-
Bank charges	23,743	21,605
Total good and services	**16,721,044**	**6,724,580**

11. Employee Costs

Description	2023/22024	2022/2023
	KShs	KShs
Salaries and wages	8,528,139	3,768,771
Employee costs	**8,528,139**	**3,768,771**

12. Board Expenses

Description	2023-2024	2022-2023
	KShs	KShs
BOG allowance	2,394,400	347,400.00
TOTAL Remuneration	**2,394,400**	**347,400.00**

13. Depreciation expense

Description	Rates	2023-2024	2022-2023
		KShs	KShs
Buildings	2.00%	1,626,137	1,526,137
Furniture and fittings	12.50%	331,492	319,867
Computers	33.30%	3,688,357	271,558
Plant and equipment	12.50%	858,749	357,812
Motor Vehicle	25%	2,440,575	-
Total Depreciation		**8,945,310**	**2,475,374**

14. Repairs and Maintenance

Description	2023-2024	2022-2023
	KShs	KShs
General repair	988,234	307,680.00
Total Repair	**988,234**	**307,680.00**

15. Detailed analysis of cash and cash equivalent.

Description		2023-2024	2022-2023
Financial Institution	Account Number		KShs
a) Current account			
Equity Bank	1050279556598	138,605.85	4,899
Kenya Commercial Bank	1276815204	826	95,447
National bank of Kenya	1022233943501	300	300
Total			**100,646**
Cash in hand			17,510
Sub- total			**17,510**
Grand total		**139,732**	**118,155**

16. Inventory

Description	2023-2024	2022-2023
		KShs
Total inventories at the lower of cost and net realizable value	3,896,677	215,880

17. Receivables from Exchange transactions

18. Description	2023-2024	2022-2023
	KShs	KShs
Receivables for the year	94,000,000	22,772,307
Total receivable	**94,000,000**	**22,772,307**

Ageing Analysis of Receivables from Exchange transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of the to
Less than 1 year	80,052,274	85.68%	18,217,846	80%
Between 1- 2 years	3,620,731	3.33%	2,277,231	10%
Between 2-3 years	1,965,782	2.091%	1,518,912	6%
Over 3 years	8,361,213	8.89%	758,318	3.33%
Total (a+b)	**94,000,000**	**100%**	**22,772,307**	**100%**

18.Property, Plant and Equipment

Net book values	Land	Buildings and structures	Furniture and fittings	Computers	Plant and equipment	Motor vehicles	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs
	0	2.00%	12.50%	33.33%	12.50%	25.00%	
At 1 July 2022	5,153,194	59,519,343	2,303,043	543,932	2,433,122		69,952,634
Additions			-	-	-		-
Disposals			-	-	-		-
Transfers/adjustments			-	-	-		-
At 30th June 2023	**5,153,194**	**59,519,343**	**2,303,043**	**543,932**	**2,433,122**		**69,952,634**
Additions	-	5,000,000	93,000	10,250,500	4,007,496	9,762,300	29,113,296
Disposals			-	-	-		-
Transfer/adjustments			-	-	-		-
At 30th June 2024	**5,153,194**	**64,519,343**	**2,396,043**	**10,794,432**	**6,440,618**	**9,762,300**	**99,065,930**
Depreciation and impairment			-	-	-		-
At 1 July 2022		1,526,137	319,867	271,558	357,812		2,475,374
Depreciation			-	-	-		-
Impairment			-	-	-		-
At30 June 2023		1,526,137	319,867	271,558	357,812		2,475,374
Depreciation	-	1,626,137	331,492	3,688,357	858,749	2,440,575	8,945,310
Disposals							

Impairment			-	-	-		-
Transfer/adjustment			-	-	-		-
At 30th June 2024	-	3,152,274	651,359	3,959,915	1,216,561	2,440,575	11,420,684
Net book values							
At 30th June 2024	**5,153,194**	**61,367,069**	**1,744,684**	**6,834,517**	**5,224,057**	**7,321,725**	**87,645,246**
At 30th June 2023	**5,153,194**	**57,993,206**	**1,983,176**	**272,374**	**2,075,310**	**-**	**67,477,260**

18 (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
	Kshs	Kshs	Kshs
Land	5,153,194	-	5,153,194
Buildings	64,519,343	3,152,274	61,367,069
Plant And Machinery	6,440,618	1,216,561	5,224,057
Motor Vehicles including Motorcycles	9,762,300	2,440,575	7,321,725
Computers and Related Equipment	10,794,432	3,959,915	6,834,517
Office Equipment, Furniture, And Fittings	2,396,043	651,359	1,744,684
Total	**99,065,930**	**11,420,684**	**87,645,246**

19. Biological Assets

	2023-2024	2022-2023
	Kshs	Kshs
Cattle	206,000	-
Total	206,000	-

20. Trade and Other Payables

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Trade payables	1,521,324		4,771,224	
Statutory Deductions	581,116		-	
Total Trade and Other Payables	**2,102,440**		**4,771,224**	
Ageing analysis:	**2023/2024**	**% of the Total**	**2022/2023**	**% of the Total**
Under one month	1,717,888	81.71%	1,431,367	30%
Under one year	384,552	18.29%	3,339,857	70%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Total (to tie to totals above)	**2,102,440**	**100%**	**4,771,224**	**100%**

21. 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	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Receivables from exchange transactions	22,772,307	18,217,846	3796143	758318
Bank balances	118156	118156	-	-
Total	**22,890,463**	**18,336,002**	**3,796,143**	**758318**
At 30 June 2024				
Receivables from exchange transactions	94,000,000	80,052,274	5,586,513	8,361,213
Bank balances	139,732	139,732	-	-
Total	**94,139,732**	**80,192,006**	**5,586,513**	**8,361,213**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts

that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	4,771,224	-	-	4,771,224
Total	**4,771,224**	-	-	**4,771,224**
At 30 June 2024			-	
Trade Payables	304,265	1,217,059	581,116	2,102,440
Total	304,265	1,217,059	581,116	**2,102,440**

(iii) Market risk

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

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

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

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

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.

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	2023/2024	2022/2023
	Kshs	Kshs
Retained Earnings	124,670,568	12,606,704
Capital Reserve	73,066,675	73,066,675
Total Funds	**197,737,243**	**85,673,379**
Total Borrowings	0	0
Less: Cash and Bank Balances	(139,732)	(118,156)
Net Debt/(Excess Cash and Cash Equivalents)	(139,732)	(118,156)
Gearing	0%	0%

22. Related Party Balances

Nature of related party relationships

The Government of Kenya is the principal shareholder of the Chamasiri Technical and Vocational College holding 100% 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:
The National Government;
The Parent Ministry;
Key management;
Board of directors

23. Events After the Reporting Period

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

24. 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.

25. Currency

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

19. 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved

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)*	Time frame
1. **Unsupported Revenue**	The statement of financial performance reflects an amount of Kshs.5, 968,301 in respect of rendering of services - fees from students as detailed in Note 7 to the financial statements. However, detailed schedules were not provided to support the amount. In the circumstances, the accuracy and completeness of the rendering of services amount Kshs.5, 968,301 could not be confirmed.	The detailed schedule of ksh. 5,968,301 supporting note 7 have since be provided and financial statements updated	Finance Officer	Not Resolved	31st December 2023
2. **Unsupported receivable from exchange transaction**	The statement of financial position note 14 to the financial statements reflects a balance of kshs. 8,824,506 in respect of receivable from exchange transactions.	The detailed schedule of ksh. 8,824,506 was supported financial statements updated	Finance Officer	Not Resolved	31st December 2023

	In the circumstances, the accuracy and completeness of the balance of kshs. 8,824,506 for receivables from exchange transaction could not be confirmed				
3. Unsupported Property, Plant and Equipment	The statement of financial statements reflects a balance of kshs 69,952,634 in respect of property plant and equipment which, as disclosed in note 19 to the financial statements includes land and building valued at kshs64,672,537. However, valuation reports for the land and building were not provided for audit review. In the circumstances, the accuracy and completeness of the property, plant and equipment balance of kshs.69,952,634 could not be confirmed	The valuation report was not available at the time of audit as the institute building were still new and construction were provided for audit	Finance Officer	Not Resolved	31st December 2023
Other Matter **1. Lack of a Risk management policy**	The management did not have a risk management policy contrary to the provisions of Regulation 165(1) of the public Finance management (National Government) regulations, 2015, which requires heads of public institutions to develop risk management strategies, which include fraud prevention mechanism system of risk management and internal control that build robust business operations. In circumstances, management was in breach of the law.	The institute is the process of developing risk management policy to adhere with National Government Regulations	Principal	Not Resolved	31st December 2023

2.	**Lack of Disaster recovery Plan**	Review of the college's ICT environment revealed that there was no formal approved disasater recovery/business continuity plan. In case of a disaster, significant delays or disruption of activities may occur. Further, the college may not recover or restor critical intrastructure services and system affecting operations in case of a disaster affecting the information communication technology installations In the circumstance, the college lacks a blue print for identifying, preventing and mitigating against disasater and ensuring business processes resume with minial interruptions in the event of a disaster.	The institute is in the process of developing disaster recovery plan to adhere with National Government Regulations	Principal	Not Resolved	31st December 2023

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Name Lawrence K. Augusti
Accounting Officer
Chamasiri Technical and Vocational College
Date 27/5/25

Appendix II: Projects Implemented by Chamasiri Technical and Vocational College

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Construction Of Classrooms		Ministry of Education		75%	NO	YES
2						

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Construction Of Classrooms		5,000,000	75%			Ministry of Education

Appendix III- TRANSFER FROM GOVERNMENT

The Chamasiri Technical and Vocational College wishes to confirm the amounts disbursed to you as at 30th June 2024 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 [Insert name of beneficiary Entity] as at 30th June 2024

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	1/7/2023	2,492,000		2,492,000	
	2/10/2023	2,278,500		2,278,500	
	18/1/2024	2,271,500		2,271,500	
	27/1/2024	120,000		120,000	
	5/2/2024	2,596,000		2,596,000	
	27/2/2024	4,078,372.30		4,078,372.30	
	6/3/204	1,014,554		1,014,554	
	13/3/2024	-	5,000,000	5,000,000	
	31/5/2024	1,934,425		17,134,926.3	
Total		**16,785,351.30**	**5,000,000**	**21,785,351.30**	

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

Head of Accounts Department - Disbursing Entity:

Name ..... **Sign** ..... **Date** .....

Head of Accounts Department - Beneficiary Entity:

Name Cellestine Omollo ..... **Sign** ..... **Date** 27/5/25

Appendix IV: Reporting of Climate Relevant Expenditures

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

Nil Report:
During the financial year 2023/2024, the institution did not undertake any projects specifically categorized under climate-relevant expenditure

Appendix V: Reporting on Disaster Management Expenditure

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

Nil Report:
During the financial year 2023/2024, the institution did not incure any expenditures related to disaster management, including response, recovery, mitigation, or preparedness.