



Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 JUL 2024	DAY: Wednesday
TABLED BY: Hon. Dr. Robert Rukundo	OF: on behalf of the leader of majority party
CLERK-AT-THE-TABLE: Halima Suliman	

PARLIAMENT OF KENYA LIBRARY

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 JUL 2024	DAY: Wednesday
TABLED BY: Hon. Owen Baya (Deputy Majority Leader)	
CLERK-AT-THE-TABLE: Anastacia	

ON

KERICHO TOWNSHIP TECHNICAL AND VOCATIONAL COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2024**



Kericho Township Technical and 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)

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Table of Contents

1.	Acronyms & Definition of key Terms	ii
2.	Key Entity Information and Management	iii
3.	The Board of Governors	viii
4.	Key Management Team.....	xi
5.	Chairman’s Statement.....	xiii
6.	Report of the Principal.....	xvi
7.	Statement of Performance against Predetermined Objectives	xix
8.	Corporate Governance Statement	xx
9.	Management Discussion and Analysis.....	xxiv
10.	Environmental and Sustainability Reporting Statement	xxv
11.	Report of the Board of Governors	xxvii
12.	Statement of Board of Governors’ Responsibilities	xxviii
13.	Report of the Independent Auditor on Kericho Township TVC for the year ended 30 June 2024	xxx
14.	Statement of Financial Performance for The Year Ended 30 June 2024	1
15.	Statement of Financial Position as at 30th June 2024.....	2
16.	Statement of Changes in Net Asset for The Year Ended 30 June 2024	4
17.	Statement of Cash Flows for The Year Ended 30 June 2024	5
18.	Statement of Comparison of Budget Actual Amounts for Year Ended 30 June 2024	6
19.	Notes to the Financial Statements	7
27.	Appendices	38

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

1. Acronyms & 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
TVC	Technical Vocational College
KTTVC	Kericho Township Technical and Vocational College
FHC	Finance and Human Resource Committee
ARC	Audit and Risk committee
ETC	Education and Training Committee
TVETA	Technical and Vocational Training Authority.
KASNEB	Kenya Accountants and Secretaries National Examinations Board.
ICPAK	Institute of Certified Public Accountants of Kenya.
KNEC	Kenya National Examinations Board
HELB	Higher Education Loans Board.
CDACC	Curriculum Development, Assessment and Certification Council

B. Definition of Key Terms

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

Comparative Year- Means the Prior period

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

-2. Key Entity Information and Management

(a) Background information

The institution was incorporated/ established under the TVET Act 2013 of 25th January, 2013. The entity is domiciled in Kericho County, Kenya. The institute is under the Ministry of Education, Directorate of Technical and Vocational Education.

The institute currently has seven functional departments namely;

1. Building Department
2. Hospitality Department
3. Business Department
4. Computing and Informatics
5. Liberal studies
6. Electrical & Electronics Department
7. Agriculture & Environmental Studies

(b) Principal Activities

The principal mandate of the Kericho Township TVC is captured in our vision and mission statements as well as our strategic objectives guided by our core values as sated below.

Vision

To make a better world trough quality education, research and innovation

Mission

To accelerate the worlds transition using technological advancement in addressing contemporary human challenges for prosperity.

Strategic objectives

- i. Creating more diverse revenue streams
 - ii. Budget for additional funds for marketing initiatives
 - iii. To increase market coverage
 - iv. To provide quality service through staff training and development
- To adhere to the ministry of education provided guidelines

Core Values

- Non-discrimination
- Accountability
- Selfless service
- Team Work
- Excellence
- Innovation
- Integrity

(NASTEII)

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

(c) Key Management

Kericho Township TVC day-to-day management is under the following key organs:

- Board of Governors
- Principal/Secretary to The Board
- Deputy Principal
- Registrar
- Dean of Trainers
- Head of Finance
- Head of Procurement

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr. Shadrack Tonui
2.	Deputy Principal	Mr. Wilson Kosgei
3.	Ag.Registrar	Ms. Clara Muge
4.	Ag. Dean of Students	Mr. Leonard Yegon
5.	Head of Finance	Mr Enock Kosgei (C.P.A)
6.	Head of Procurement	Ms. Eddah Chepkurui

(e) Fiduciary Oversight Arrangements

The oversight role of Kericho Township TVC, is done by its Board of Governors (B.O.G) Inaugurated on 8th of June 2021. The Board Constitute of Three Fiduciary Oversight Committees Namely;

- Audit and Risk Committee
- Finance and Human Resource Committee
- Education and Training Committee

1. Audit committee with the membership as follows:

S NO.	Name	Designation	Expertise
i.	Mr. Joseph Kirui	chairman	Manager
ii.	Laura Cheptegei	member	ICT
iii.	Norah Jepngetich	member	Engineer

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

The responsibility of the committee is to receive and consider reports, make recommendations and advise the Board of Governors on:

- ✓ Internal and external audit reports
- ✓ Internal Audit annual plan
- ✓ Internal controls
- ✓ Risk management
- ✓ Compliance to laws, regulations and standards.
- ✓ Governance
- ✓ Governance Audit Reports

2. Finance and human resource committee with the membership as follows.

Name	Designation	Professional Background
Rosaline Wagere Nyaga	Chairperson	Finance
Patrick Orwa	Member	Accounting
Peter Cheruiyot	Member	Education
Shadrack Tonui	Member	Education

The committee is in charge of oversight activities involving hiring and management of human resource personnel within the institution. To receive and consider reports, make recommendations and advise the Board of Governors on:

- ✓ The College planning and financial strategy
- ✓ Annual budget and medium-Term Expenditure Framework;
- ✓ Resource Mobilization
- ✓ Purchase and sale of property and disposal of idle assets.
- ✓ The College investment and borrowings.
- ✓ The progress of the implementation of plans and policies as outlined in the strategic plan.
- ✓ Approval of new construction projects.
- ✓ The progress of projects.
- ✓ Maintenance and development of buildings and land.
- ✓ Development, investment and enterprise.
- ✓ Collaboration and Partnerships
- ✓ Memorandum of Understanding
- ✓ College Legal and ICT Status
- ✓ Human Resource Strategy, Policies and Procedures and standards.
- ✓ Terms and conditions of employment for the college staff
- ✓ To discuss all personnel issues affecting College employees.
- ✓ Staff recruitment, selection, deployment and career development

3. Education and Training committee with the membership as follows;

Name	Designation	Professional Background
Joseph Mafurah	Chairman	Education
Laura Cheptegei	member	ICT
Norah Chepngetich	member	Engineer
Shadrack Tonui	Member	Education

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

49

50

51

52

53

54

55

56

57

58

59

60

61

62

63

64

65

66

67

68

69

70

71

72

73

74

75

76

77

78

79

80

81

82

83

84

85

86

87

88

89

90

91

92

93

94

95

96

97

98

99

100

101

102

103

104

105

106

107

108

109

110

111

112

113

114

115

116

117

118

119

120

121

122

123

124

125

126

127

128

129

130

131

132

133

134

135

136

137

138

139

140

141

142

143

144

145

146

147

148

149

150

151

152

153

154

155

156

157

158

159

160

161

162

163

164

165

166

167

168

169

170

171

172

173

174

175

176

177

178

179

180

181

182

183

184

185

186

187

188

189

190

191

192

193

194

195

196

197

198

199

200

201

202

203

204

205

206

207

208

209

210

211

212

213

214

215

216

217

218

219

220

221

222

223

224

225

226

227

228

229

230

231

232

233

234

235

236

237

238

239

240

241

242

243

244

245

246

247

248

249

250

251

252

253

254

255

256

257

258

259

260

261

262

263

264

265

266

267

268

269

270

271

272

273

274

275

276

277

278

279

280

281

282

283

284

285

286

287

288

289

290

291

292

293

294

295

296

297

298

299

300

301

302

303

304

305

306

307

308

309

310

311

312

313

314

315

316

317

318

319

320

321

322

323

324

325

326

327

328

329

330

331

332

333

334

335

336

337

338

339

340

341

342

343

344

345

346

347

348

349

350

351

352

353

354

355

356

357

358

359

360

361

362

363

364

365

366

367

368

369

370

371

372

373

374

375

376

377

378

379

380

381

382

383

384

385

386

387

388

389

390

391

392

393

394

395

396

397

398

399

400

401

402

403

404

405

406

407

408

409

410

411

412

413

414

415

416

417

418

419

420

421

422

423

424

425

426

427

428

429

430

431

432

433

434

435

436

437

438

439

440

441

442

443

444

445

446

447

448

449

450

451

452

453

454

455

456

457

458

459

460

461

462

463

464

465

466

467

468

469

470

471

472

473

474

475

476

477

478

479

480

481

482

483

484

485

486

487

488

489

490

491

492

493

494

495

496

497

498

499

500

501

502

503

504

505

506

507

508

509

510

511

512

513

514

515

516

517

518

519

520

521

522

523

524

525

526

527

528

529

530

531

532

533

534

535

536

537

538

539

540

541

542

543

544

545

546

547

548

549

550

551

552

553

554

555

556

557

558

559

560

561

562

563

564

565

566

567

568

569

570

571

572

573

574

575

576

577

578

579

580

581

582

583

584

585

586

587

588

589

590

591

592

593

594

595

596

597

598

599

600

601

602

603

604

605

606

607

608

609

610

611

612

613

614

615

616

617

618

619

620

621

622

623

624

625

626

627

628

629

630

631

632

633

634

635

636

637

638

639

640

641

642

643

644

645

646

647

648

649

650

651

652

653

654

655

656

657

658

659

660

661

662

663

664

665

666

667

668

669

670

671

672

673

674

675

676

677

678

679

680

681

682

683

684

685

686

687

688

689

690

691

692

693

694

695

696

697

698

699

700

701

702

703

704

705

706

707

708

709

710

711

712

713

714

715

716

717

718

719

720

721

722

723

724

725

726

727

728

729

730

731

732

733

734

735

736

737

738

739

740

741

742

743

744

745

746

747

748

749

750

751

752

753

754

755

756

757

758

759

760

761

762

763

764

765

766

767

768

769

770

771

772

773

774

775

776

777

778

779

780

781

782

783

784

785

786

787

788

789

790

791

792

793

794

795

796

797

798

799

800

801

802

803

804

805

806

807

808

809

810

811

812

813

814

815

816

817

818

819

820

821

822

823

824

825

826

827

828

829

830

831

832

833

834

835

836

837

838

839

840

841

842

843

844

845

846

847

848

849

850

851

852

853

854

855

856

857

858

859

860

861

862

863

864

865

866

867

868

869

870

871

872

873

874

875

876

877

878

879

880

881

882

883

884

885

886

887

888

889

890




Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

(j)Principal Legal Adviser





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

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024


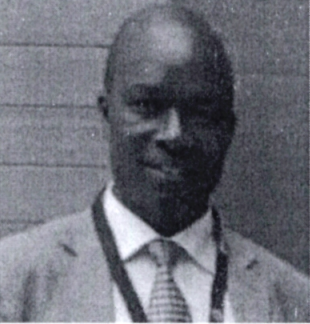
3.The Board of Governors

No.	Member/ Director	Details
1.	 <p>Name: Dr. Reuben Langat Profession/Academic Qualification: PHD. Nonparametric Regression and Estimation in Survey Sampling</p>	<p>Date of birth: 31st Dec, 1972</p> <p>Work Experience: Lecturer, University of Kabianga Independent Board Member Chairman BOG</p>
2.	 <p>Name: Rosaline W. Nyaga Profession/Academic Qualification: I. PhD-Doctor of philosophy in Business Administration (ongoing) II. Bachelor of Business Administration and IT(BBA with IT)</p>	<p>Date of birth: 25th May 1978 Work Experience: Administrator Kisii University</p> <p>Independent Board Member</p> <p>Chair Finance and Human Resource Committee</p>
3.	 <p>Name: Patrick Oduor Orwa (MSc.)Profession/Academic Qualification: MSc Fisheries and Aquatic Sciences</p>	<p>Date of birth: 12th April, 1985, Work Experience: Manager Lake Basin</p> <p>Independent Board Member Member Finance and Human Resource Committee</p>

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

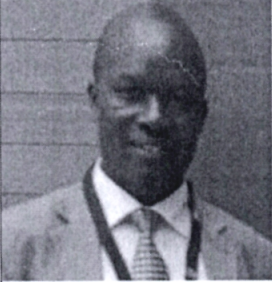


4.		<p>Date of birth: 12th December 1972</p> <p>Work Experience: Lecturer Egerton University Independent Board Member Chair Education and Training Committee</p>
<p>Name: Dr. Joseph Mafurah Profession/Academic Qualification: Phd-Bsc Agriculture Education & Extension</p>		
5.		<p>Date of birth: 28th August, 1983 Work Experience: Lecturer Kabarak University Independent Board Member</p> <p>Member Audit and Risk Committee Member Education and Training Committee</p>
<p>Name: Ms. Laurah Chemtai Cheptegei Profession/Academic Qualification :PhD-Computer Science</p>		
6.		<p>Date of birth: 8th August, 1972,</p> <p>Work Experience: County Director TVET Alternate Board Member Member Finance and Human Resource Committee</p>
<p>Name: Peter Cheruiyot Profession/Academic Qualification :Master's Degree in Education Planning</p>		
7.		<p>Date of birth: 17th Aug, 1970</p> <p>Work Experience: Branch Manager Absa Bank</p> <p>Independent Board Member Chair Audit and Risk Committee</p>
<p>Name: Mr. Joseph Kirui Profession/Academic Qualification: Bachelor of Science in mathematics</p>		

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024




8.		<p>Date of birth: 4th May 1988 Work Experience: Automotive Engineer-Finlays</p> <p>Independent Board Member</p> <p>Member Audit and Risk Sub-Committee</p>
	<p>Name: Ms Norah Jepngetich Profession/Academic Qualification: Bachelor Science in Mathematics</p>	
9.		<p>Date of birth: 20th August 1976</p> <p>Work Experience: Principal/Secretary BOG</p>
	<p>Name: Mr. Shadrack Tonui Profession/Academic Qualification: Bed Education – Moi University MPH (ongoing)</p>	

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

4. Key Management Team

No.	Member/ Director	Details
1.	 <p>Name: Mr. Shadrack Tonui Profession/Academic Qualification: Bachelor of Education Moi University</p>	Principal/Secretary BOG
2.	 <p>Name: Mr. Wilson Kosgei Profession/Academic Qualification: Masters in analytical chemistry (JKUAT), BSc. Analytical Chemistry (UON), Diploma in Technical Trainers Education (KSTVET) Senior Management Course(KSG)</p>	Deputy Principal
3.	 <p>Name: Clara Chelangat Muge Profession/Academic Qualification: Masters in Hospitality Management- University of Eldoret</p>	Ag. Registrar

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

4.	 <p>Name: Leornard Yegon Profession/Academic Qualification: Applied Statistics With Computer(University of Kabianga)</p>	Ag. Dean Of Students
5.	 <p>Name: Kosgei Enock (CPA) Profession/Academic Qualification: Bachelor of Business Management-Finance Option (University of Kabianga) Certified Public Accountant of Kenya (CPA-K)</p>	Head of Finance
6.	 <p>Name: Eddah Chepkirui Profession/Academic Qualification: Bachelor in Procurement and Logistics Management (Chuka University) Membership-KISM</p>	Head of Procurement

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

5. Chairman's Statement

I am pleased to report that Kericho Township TVC has continued to perform well in returning exemplary examination results of the Kenya National Examinations Council (KNEC). I take this opportunity to share with you my views on the key initiatives and achievements we have had over the year on economic performance, Education sector changes, financial performance, operations & risks associated with the Institution, and lastly our future outlook.

Economic Focus

In order to ensure efficient and effective provision of Technical Vocational Training, we have developed necessary policies and institutional framework to direct the running of the Institution in line with vision 2030, the Big 4 Agenda and Sustainable Development Goals. In the recent past, the institute has experienced growth in student enrolment from which we have projected an average of 80% annual growth, based on the current 2,372 in 2024 from that of 1,321 students in 2023.

We thank the Government of Kenya for providing training equipment, computers, capitation and employment of Trainers through the devolved system by the Public Service Commission that has greatly contributed towards increased student enrolment and improved quality of training to enable the institute align her graduates with regional and global trends and innovation.

Government financing using the new model of funding

During the year under review, students who enrolled in the Institute during the September 2023, January, and May 2024 intakes benefited from government financing under the new funding model. This will significantly improve the Institute's financial position compared to the previous capitation model. It is important to note that students who joined the Institute before September 2023 are still receiving government funding through the capitation system.

****Successes****

The Successes during the year were;

- Construction of College Gate.
- Construction of Twin Workshop.
- Construction of Hairdressing and Beauty Workshop.
- Construction of Staff Room.
- Construction of Access road
- Excellent Academic Performance standing at 74%



Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

- Enrolment increased significantly
- MOU with Industries on dual Training
- Secured Bursaries from NG-CDF and County Government
- Participated in Sports and Drama up to National Level
- Introduction and Registration of 22 Programs under CDACC
- Introduction of Recognition of Prior Learning (RPL) Program

Challenges Faced

The Technical Training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training outcomes. During the year, the college faced the following challenges:

- Irregular Disbursement of Capitation
- Missed Capitation in some quarters
- Lack of stable water Supply
- Delayed Access to 3 phase Connectivity
- Inadequate Land
- Lack of Hostels
- Lack of Adequate Equipment
- Inadequate Public Service Trainers

Outlook

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

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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



Dr. Reuben c. Lang'at
Chairman Board of Governors



Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

6. Report of the Principal

Introduction

Kericho Township TVC is a young public TVET institution in South Rift region with a promising future in offering technical skills for empowerment, as enshrined in its Vision.

The institution was registered by TVETA Authority as a public institution in 2019 and is offering market driven programs approved by TVETA and Examined by KNEC and CDACC in line with actualizing the BETA Agenda. The institution currently offers 28 programs.

❖ Staffing

The total number of staff as at 30th June 2024 were 106 categorized as follows;

PSC Trainers-19

BOG Trainers-54

BOG non-teaching-33

However, due to an increase in student population and more programs, we are in the process of recruiting more PSC staff once positions are advertised.

Key Highlights

During the Financial Year under review, the following key Successes were reported:

- Construction of College Gate.
- Construction of Twin Workshop.
- Construction of Hairdressing and Beauty Workshop.
- Construction of Staff Room.
- Construction of Access road
- Excellent Academic Performance standing at 74%
- Enrolment increased significantly
- MOU with Industries on dual Training
- Secured Bursaries from NG-CDF and County Government
- Participated in Sports and Drama up to National Level
- Introduction and Registration of 22 Programs under CDACC
- Introduction of Recognition of Prior Learning (RPL) Program

The student enrolment increased by 80% to 2,372 from 1,321 reported in the last financial year which is attributed to marketing strategies employed by the management during the year.

The Institute was able to successfully partner with various Organizations and Institutions for student placement

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

The Three Phase Transformer was Installed by Kenya power, However, due to challenge of funds disbursement from the Ministry of Education We are yet to redo wiring in the College premises to conform or enable the use of the Three Phase Electricity

The land Title deed is yet to be acquired though I am happy to report that the process is ongoing. PDP plan have been drawn at Ardhi house. Survey has been conducted and we endeavour to conclude by 30/06/2025.

Challenges faced during the year

During the year under review, Kericho Township TVC experienced several challenges as highlighted below:

- Irregular Disbursement of Capitation
- Missed Capitation in some quarters
- Lack of stable water Supply
- Delayed Access to 3 phase Connectivity
- Inadequate Land
- Lack of Hostels
- Lack of Adequate Equipment
- Inadequate Public Service Trainers

Future

Our future plans in relation to expansion and well-being of the institutes are as follows;

- Increase student enrolment to 4,000 students
- To construct student Classes
- Construction of Workshops.
- Request for more PSC Trainers to a tune of 72
- Expediting clearance with the Mentor pending Debt
- Allocation of Development Grants for Infrastructural Development
- Looking forward to prompt Disbursement of Capitation

Under my leadership, we successfully developed Human resources manual, the finance policy, Credit and Debt management policy and Academic policy.

I have confidence that the trainees are well equipped with the necessary skills that strategically aligns them with opportunities within the country, regionally and globally at the same time contributing to the realization of the BETA Agenda.

Technical Training Institute being a Tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. To do so, however the Institute requires a lot of support from the Government and other stakeholders in terms of funding, material support and other contributions. We shall continue to appeal for such support for several years to come.

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

On behalf of the Institute's Board of Governors, I take this opportunity to thank the Government for its unequivocal support during the year under review.

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

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

Thank you.


.....
MR. SHADRACK TONU
PRINCIPAL /BOG SECRETARY

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

7. Statement of Performance against Predetermined Objectives

Kericho Township Technical and Vocational College has 2 strategic pillars/issues/themes and objectives within current strategic plan for the period FY 2022-FY2025. These strategic pillars are as follows;

- i. Enhanced Access to learning
- ii. Increase the number of Teaching and Non-teaching staff

Kericho Township Technical and Vocational College develops its annual work plan based on the above 2 pillars. Assessment of the Board Performance against its Annual work plan is done on a Quarterly basis. The College achieved its Performance target or Fy 2022/2023 period for its strategic pillars, as indicated in the diagram below;

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Strategy 1: Enhanced Access to Learning	Introduce courses	Introduced Courses	To introduce more courses	Introduced 28 programs
	Advertise Programs	Number of Advertisements	To market and publicize the Institute's courses	Radio Advertisements done every Holiday
	Organize for Forums and Student activities	Number of Events Participation	To participate in sports and recreation activities	Participated in Ball games, Athletic and Drama to the National level
Strategy 2: Increase the number of Teaching and Non-Teaching Staff	Request for PSC trainers	Trainers sourced as per CBE establishment	Write Letters to DHRM for posting of Trainers in Areas of Shortage	12 Trainers were deployed or posted by PSC during the year
	Recruitment of BOG Staff	BOG Staff recruited as per existing Vacancies	Advertise for Vacancies	Eighteen BOG Staff were Absorbed

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

8. Corporate Governance Statement

Kericho Township TVC is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens the Board and management accountability and helps build public trust in the Institute.

The Board is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, state department of Vocational and Technical Training to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Board serves as the ultimate decision-making body of the Institute, except for those matters reserved to or shared with the Government of Kenya. The Board of Governors selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Institute in line with the Technical, Vocational, Education & Training Act of 2013 and the constitution of the Republic of Kenya.

The Board of Governors held Four Full Board meetings and ten subcommittee meetings in the financial 2023/2024. The current Board was appointed on 14th October 2020 and inaugurated on 29th April 2021, for a term of three years ending 13th October 2023, However, the term for the current Board was Extended to 30th June 2024.

On expiry of the tenure of the current Board (30th June 2024) the process of appointment of a new Board of Governors is as laid out in the TVET act of 2013 shall be followed

Under the TVET act of 2013. The mention of Board of Governors is due to a letter which was issued by the Ministry of Education for Board of Governors to act as Board of Governors. The functions of Board of Governors as set out under section 28 (1) shall include -

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions; (1) receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

(i) Developing and reviewing programmes for training and to make representations thereon to the Board of Governors

(j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;

(k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board of Governors;

(l) Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;

(m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;

(n) Making regulations governing organization, conduct and discipline of the staff and students;

(o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the Board of Governors;

(p) Providing for the welfare of the students and staff of the institutions;

(q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and

(r) Discharging all other functions conferred upon it by this Act or any other written law.

The Board of Governors in the period it has been in existence has endeavoured to discharge its functions independently with vigour and passion. Their diligence and prudent management of resources has been result oriented and much has been achieved during their term in office. They have been able to interpret government policies and TVET Act as well as other relevant laws in existence making the institution to move forward as we actualize the strategic plan. Moving forward, the Board of Governors is aligning its discharging of duties by improving on its operations while surpassing the set targets where possible.

Attendance of Board of Governors meetings

During FY 2023/2024, there was 100% eligible attendance at all meetings of the Board and Committees with 4 full Board meetings, and 7 Sub Committee meetings.

The following table shows the number of meetings held during 2023/2024

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

FULL BOARD					
		26.09.2023	13.10.2023	03.05.2024	27.06.2024
S/NO	NAME	FULL BOARD MEETING	FULL BOARD MEETING	FULL BOARD MEETING	FULL BOARD MEETING
1)	Dr. Reuben Langat	Present	Present	Present	Present
2)	Dr. Joseph Mafurah	Present	Present	Present	Present
3)	Dr. Laura Cheptegee	Present	Present	Present	Present
4)	Rosaline. Nyaga	Present	Present	Present	Present
5)	Norah Jepngetich	Present	Present	Present	Present
6)	Joseph Kirui	Present	Present	Present	Present
7)	Patrick Orwa	Present	Present	Present	Present
8)	Peter Cheruiyot	Present	Present	Present	Present
9)	Hon. Judith Chirchir	Present	Present	Present	Present
10)	Shadrack Tonui	Present	Present	Present	Present

EDUCATION AND TRAINING COMMITTEE MEETING			
		22.09.2023	11.06.2024
S/NO	NAME		
1)	Dr. Joseph Mafurah	Present	Present
2)	Dr. Laura Cheptegee	Present	Present
3)	Norah Jepngetich	Present	Present
4)	Shadrack Tonui	Present	Present

FINANCE AND HUMAN RESOURCE COMMITTEE MEETING				
		13.07. 2023	25.09.2023	12.06.2024
S/NO	NAME			
1)	Rosaline. Nyaga	Present	Present	Present
2)	Patrick Orwa	Present	Present	Present
3)	Peter Cheruiyot	Present	Present	Present
4)	Shadrack Tonui	Present	Present	Present

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

AUDIT AND RISK COMMITTEE MEETING			
		18.09.2023	13.06.2024
S/No	NAME		
1)	Joseph Kirui	Present	Present
2)	Dr. Laura Cheptegee	Present	Present
3)	Norah Jepngetich	Present	Present

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

9. Management Discussion and Analysis

During the year ended June 2024, the Institution had 2,372 trainees compared to 1,321 in year 2022/2023.

Major risks facing the organisation.

The institutes' major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include

- i. Low student enrolment.
- ii. Student turnover
- iii. Inadequate student accommodation and support facilities
- iv. Delayed disbursement of capitation and HELB grants
- v. Staff turnover due to inability to retain them
- vi. Three Phase Electricity Connectivity Though the MOE had paid for electricity transformer the challenge has been granting of the Kenya Power and Lighting delivering and installing the Transformer
- vii. Staff moving to greener pastures in search of better pay
- viii. Lack of Land Ownership Documents

However, a number of Successes were recorded as listed below;

- Increase in Admission
- Undisturbed Curriculum implementation
- Our Operation and Financial Performance were fair as shown in the financial statement
- The institute was able to pay all its statutory obligation and liabilities and therefore there were no accrued arrears in the FY 2023/2024.
- The following projects were successfully done in the College during this period;
 1. College main Gate
 2. Twin Workshop
 3. Hairdressing and Beauty Workshop
 4. Access Road

There was no material arears in the period under review.

10. Environmental and Sustainability Reporting Statement

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

Sustainability strategy and profile

Kericho Township TVC operates in an environment that is influence by political and macroeconomic components.

For purposes of registering progressive successes, the institute played neutral role to political affiliations. It is recognizable that the government of the day plays a key role in support to the institution. During the financial year, the institute enjoyed support of the area member of parliament. This enable us to secure bursaries from NG-CDF. Equally, the national government provided support in terms of Capitation and employment of PSC staff.

Environmental performance

Kericho Township Technical & Vocational College recognizes environment as an important factor in its operations.

During the Financial year, there wasn't an existing policy on environmental, however, a committee was formed to develop the policy. The policy is in the tail end-of formulation and is awaiting final presentation before it is presented to the Board for deliberation and subsequent approval.

Nevertheless, in the financial year, the institute managed to attain the following as part of its concerted efforts to dealing with environment;

1. Planting of trees;

Tree cover was increased on the lower part of the institute land. This included planting of blue gum and cypress. This was done with engagement of Provincial administration who were invited to grace the occasion. They were the area Chiefs and assistant Chiefs. Indeed, the exercise was a success.

On the upper part, ornamental as well as indigenous trees were also planted to improve the institutes' aesthetics. In addition, flowers were also planted around the building.

2. Drainage.

It became necessary that drainage line was constructed to allow drainage of rain water from the building to the lower side of the institute.

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Employee welfare

Kericho Township Technical & Vocational College is an equal opportunity providing institution. We recognize the roles and contributions of employees towards the success of the institute. During the financial year, we were mainly supported by policy of the mentoring institution and even received deployment of their staff as the college was in formative stage. We anticipate to have the Human resource policy approved to enable us to comply with the governments' requirements.

We also anticipate compliance with Occupational Safety and Health Act of 2007, (OSHA

Market place practices-

The institute is aware of competition as a factor for its existence and growth. During the financial year, we endeavored the following;

- a) Responsible competition practice.

We championed fair competition even as we marketed our programs in an environment where other TVET institution was in existence. We ensured that we stick to our mandate both in print and electronic media.

- b) Responsible Supply chain and supplier relations-

During the financial year, we are grateful that we had a responsive mentor who engaged our suppliers positively, this secured confidence to the institute. Equally, the suppliers were able to gain confidence in us.

- c) Responsible marketing and advertisement-

Ethical practices remain key in reaching to our prospective clients. Our marketing materials, distribution strategies and information dissemination was done with the background of this component.

- d) Product stewardship- outline efforts to safeguard consumer rights and interests.

A number of staff were subjected to capacity building through attending to core mandate deliberations. This included attending AGM by Principal as was organized by KATTI in Mombasa. Piped water was connected to the institute even as other methods of water harvesting and storage is being deliberated.

Corporate Social Responsibility / Community Engagements

The institute managed to have deliberations with provincial administration, clergy and leaders during the financial year. During these deliberations, it was evident that there is need to have more robust deliberations towards securing a workable CSR in the subsequent financial years.

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

11. 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 the College affairs.

Principal activities;

The principal activities of the entity are;

✓ Training

Results

The results of the entity for the year ended June 30, 2024 are set out on page 1-6


Board of Governors

The members of the Board who served during the year are shown on page Vii to X. During the year 2023/2024 no director retired/ resigned.

Auditors

The Auditor General is responsible for the statutory audit of the Kericho Township TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the *Institution* for the year ended June 30, 2024.

By Order of the Board


.....
Shadrack Tonui

Principal/BOG Secretary

Date:
26/05/2024

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

12. Statement of Board of Governors' Responsibilities

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

The Board members are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year ended on June 30, 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 *entity*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the *College's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*) The Board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *College's* transactions during the financial year ended June 30, 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 *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.

In preparing the financial statements, the Principal has assessed the *College's* ability to continue as a going concern *this is evidence by the Liquidity Status of the College as seen the Financial Statements. or*

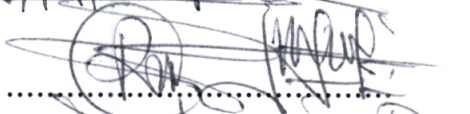
Nothing has come to the attention of the Board members to indicate that the *College* will not remain a going concern for at least the next twelve months from the date of this statement.

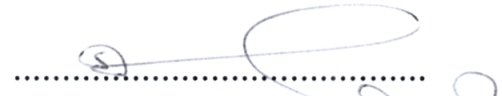
Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Approval of the financial statements

The *Kericho Township Tvc*'s financial statements were approved by the Board on

27/9/2024 and signed on its behalf by:


.....
Name *Do Lagat R*
Chairperson of the Board


.....
Name *Shadrach K. Njiru*
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KERICHO TOWNSHIP 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 Kericho Township Technical and Vocational College set out on pages 1 to 38, which comprise the statement of financial

Report of the Auditor-General on Kericho Township Technical and Vocational College for the year ended 30 June, 2024

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 Kericho Township 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. Unsupported Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions totalling Kshs.56,094,141 in respect of student debtors as disclosed in Note 14 to the financial statements. However, the fee statement or student debtors control ledger and ageing analysis of the student debtors were not provided for audit review.

Further, Note 14(a) to the financial statements reflects receivables totalling Kshs.7,331,664 or thirteen percent (13%) of the total student debtors which had been outstanding for more than one year. However, no provision has been made for impairments of the receivables in the financial statements. Management has also not taken any measure to recover the long outstanding receivables.

In the circumstances, the accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.56,094,141 could not be confirmed.

2. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment totalling Kshs.179,960,193. The amount includes land and buildings and structures valued at Kshs.60,000,000 and 99,695,263, respectively, as disclosed in Note 16 to the financial statements. However, allotment letter for the six (6) hectares of land occupied by the College indicate that the land is not in the name of the College but is instead registered in the name of Kericho Township Primary School. Management did not provide reasons why the ownership had not been transferred to the College.

Further, physical inspection of the assets revealed that the College had one (1) vehicle bearing government registration plate that had been donated by the State Department for

Vocational and Technical Training. However, the vehicle's log book was not provided for audit review.

In addition, the amount includes capital work in progress totalling Kshs.580,000 as disclosed in Note 16 to the financial statements. The capital work in progress amount is net of transfers/ adjustments amounting to Kshs.772,860 as disclosed in Note 16 to the financial statements. However, transfer or adjustments schedule was not provided for audit review.

In the circumstance, the accuracy and completeness of property, plant and equipment totalling Kshs.179,960,193 could not be confirmed.

3. Unsupported Trade and Other Payables from Exchange Transactions

The statement of financial position reflects trade and other payables from exchange transactions totalling Kshs.31,118,094. The amount includes trade payables totalling Kshs.26,774,916 as disclosed in Note 18 to the financial statements. However, the creditors control ledger containing the suppliers' and contractors' details, invoiced amounts, settled amounts, outstanding payments and the corresponding dates the goods, services or works were received were not provided for audit review.

In the circumstance, the accuracy, completeness and existence of the trade payables totalling Kshs.26,774,916 included under trade and other payables in the statement of financial position could not be confirmed.

4. Unsupported Refundable Balances

The statement of financial position reflects refundable balances totalling Kshs.1,730,050 in respect of caution money as disclosed in Note 19 to the financial statements. However, a separate bank account was not maintained for the deposits.

Further, a review of records revealed that the deposits were banked in the operations bank account. However, the operations bank account has a balance of Kshs.578,010 as disclosed in Note 13 to the financial statements resulting in unexplained variance of Kshs.1,152,040. This is an indication of unauthorized spending of refundable deposits.

In the circumstance, the accuracy, completeness and existence of refundable deposits totalling Kshs.1,730,050 could not be confirmed.

5. Unsupported Fees Received in Advance

The statement of financial position reflects fees received in advance totalling Kshs.6,782,665 as disclosed in Note 20 to the financial statements. However, supporting schedule showing the date of receipt, students' particulars, invoiced amount, actual fees received, and the fees received in advance were not provided for audit review.

In the circumstance, the accuracy, completeness and existence of the fees received in advance totalling Kshs.6,782,665 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Adverse 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 reports of the previous year, twelve (12) issues were raised under the Report on Financial Statements, Emphasis of Matter, Other Matter, and Report on Lawfulness and Effectiveness in use of Public Resources. However, Management has not resolved the issues or given any explanation for failure to resolve them.

My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information set out on page iii to xxix which comprise of Key Entity Information and Management, the Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, 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. Non-Compliance with the Law on Ethnic Diversity

Review of the staff records indicated that the College had a total of eighty-seven (87) employees out of which eighty-three (83) or 95% of the total number were from the same ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one-third (1/3) of its staff from the same ethnic community.

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

2. Non-Remittance of Payroll Deductions and Statutory Dues

The statement of financial position reflects trade and other payables from exchange transactions totalling Kshs.31,118,094. The amount include salary deductions totalling Kshs.1,896,870 as disclosed in Note 18 to the financial statements. Review of records revealed that the deductions were in respect of payroll deductions and statutory dues which had not been remitted to the relevant institutions and bodies . This was contrary to Section 19(4)(5) of the Employment Act, 2007 which requires an employer who deducts an amount from an employee's remuneration to pay the amount so deducted in accordance with the time period and other requirements specified in the law.

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

The audit was conducted in accordance with ISSAI 3000 and 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 effects of the matter 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

Weaknesses in the Implementation of the Enterprise Resource Planning (ERP) System

Review of financial records revealed that the College transitioned from the use of manual accounting systems by implementing an Enterprise Resource Planning (ERP) system with the main objective of bringing in efficiency in operations within the College. However, there was no approved change management policy that documented formal procedures to be followed in effecting the movement of records and data, testing of changes and post-implementation review of changes done.

Further, the system had not been fully implemented since some financial records were maintained in manual form without the necessary backups, thereby exposing the College's financial information to risks of inaccuracy, inefficiencies, manipulations and possible loss.

In addition, there was lack of integration among various departments and the system's developers who were not employees of the College retained unhindered access rights and still executed the functional roles of different departments on behalf of the staff.

In the circumstances, the implemented changes in the systems may not meet the business requirements.

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

Responsibilities of Management and the Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

13 June, 2025

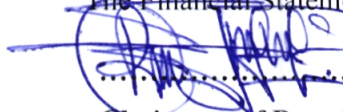
**Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024**

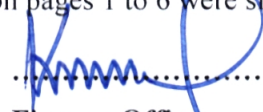
14. Statement of Financial Performance for The Year Ended 30 June 2024

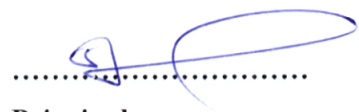
Description	Notes	2023/2024 Kshs	2022/2023 Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – Recurrent grants	5	9,565,425	6,867,000
Total Revenue from non-exchange transactions		9,565,425	6,867,000
Revenue from exchange transactions			
Rendering of services- Fees from students	6	70,056,134	32,994,973
Sale of Goods	7	2,163,400	-
Other Income	7	-	1,409,428
Revenue from exchange transactions		72,219,534	34,404,401
Total revenue		81,784,959	41,271,401
Expenses			
Use of goods and services	8	39,373,386	32,706,819
Employee costs	9	8,875,709	5,091,885
Board allowances	10	637,000	945,740
Depreciation and Amortization Expense	11	9,489,481	8,257,413
Repairs and Maintenance	12	3,528,702	2,337,785
Total expenses		61,904,278	49,339,642
Net Surplus for the year		19,880,681	(8,068,241)

The notes set out on pages 7 to 37 form an integral part of the Annual Financial Statement.

The Financial Statements set out on pages 1 to 6 were signed by:


.....
Chairman of Board


.....
Finance Officer


.....
Principal

Date 26/5/2025

ICPAK No 27306
Date 26/5/2025

Dat 26/5/2025

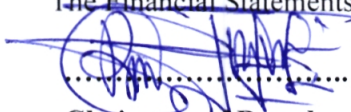
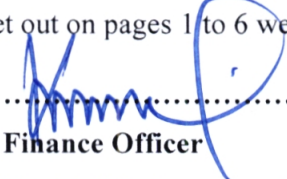

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Financial Position as at 30th June 2024

	Notes	2023/2024	2022/2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	13	1,365,603	766,028
Receivables from exchange transactions	14	56,094,141	15,274,300
Inventories	15	828,179	1,054,874
Total Current Assets		58,287,923	17,095,202
Non-current assets			
Property, plant and equipment	16	179,960,193	169,490,391
Biological Assets	17	100,000	100,000
Total Non-current Assets		180,060,193	169,590,391
Total assets		238,348,116	186,685,593
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	31,118,094	7,108,617
Refundable balances	19	1,730,050	740,350
Fee Received in Advance	20	6,782,665	-
Total Current Liabilities		39,630,809	7,848,967
Total liabilities		39,630,809	7,848,967
Net Assets		198,717,307	178,836,626
Represented By:			
Revaluation Reserves		-	-
Accumulated surplus		(1,945,171)	(21,825,852)
Capital Fund		200,662,478	200,662,478
Total Net Assets		198,717,307	178,836,626

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

The Financial Statements set out on pages 1 to 6 were signed by:

		
Chairman of Board	Finance Officer	Principal
	ICPAK No 27306	
Date 26/5/2025	Date 26/05/2025	Date 26/05/2025

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

16. Statement of Changes in Net Asset for The Year Ended 30 June 2024

	Accumulated surpluses	Capital Development grants/Fund	Total
As at July 1, 2022	13,757,611	185,662,478	171,904,867
Revaluation gain	-	-	-
Surplus/ (Deficit) for the year	(8,068,241)	-	(8,068,241)
Capital/Development grants received during the year	-	15,000,000	15,000,000
At June 30, 2023	(21,825,852)	200,662,478	178,836,626
At July 1, 2023	(21,825,852)	200,662,478	178,836,626
Revaluation gain	-	-	-
Surplus/ (Deficit) for the year	19,880,681	-	19,880,681
Capital/Development grants received during the year	-	-	-
As at June 30, 2024	(1,945,171)	200,662,478	198,717,307

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

17. Statement of Cash Flows for The Year Ended 30 June 2024

	Note	2023/2024 Kshs	2022/2023 Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – Recurrent grants	5	9,565,425	6,867,000
Total Revenue from non-exchange transactions		9,565,425	6,867,000
Total Revenue from non-exchange transactions			
Revenue from exchange transactions			
Rendering of services- Fees from students	6	61,277,339	17,720,673
Other income	7	2,163,400	1,409,428
Revenue from exchange transactions		63,440,739	19,130,101
Total revenue		73,006,164	25,997,101
Expenses			
Use of goods and services	8	38,633,036	18,519,236
Employee costs	9	8,875,709	5,091,885
Board allowances	10	637,000	945,740
Repairs and Maintenance	12	3,528,702	2,337,785
Total expenses		51,674,447	26,894,646
Net cash flows from operating activities		21,331,717	(897,545)
Cash flows from investing activities			
Purchase of property, plant, equipment		(20,732,142)	(943,900)
Purchase of intangible			
Net cash flows used in investing activities		(20,732,142)	(943,900)
Net increase in cash and cash equivalents		599,575	(1,841,445)
Cash and cash equivalents at start of year		766,028	2,607,473
Cash and cash equivalents at end of year		1,365,603	766,028

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

18. 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	Percentage
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from Government	36,000,000	-	36,000,000	9,565,425	26,434,575	73%
Rendering of services- Fees from students	44,626,800	-	44,626,800	70,056,134	(25,429,334)	-57%
Other income	1,083,600	-	1,083,600	2,163,400	(1,079,800)	-100%
Total income	81,710,400	-	81,710,400	81,784,959	(74,559)	0%
Expenses						
Compensation of employees	13,368,000	-	9,188,000	8,875,709	312,291	3%
Use of Goods and services	34,246,400	-	39,426,400	39,373,386	53,014	0%
Repair and maintenance	3,610,000	-	3,610,000	3,528,702	81,298	2%
Board Expenses	1,836,000	-	836,000	637,000	199,000	24%
Total expenditure	53,060,400	-	53,060,400	52,414,797	645,603	1%
Surplus for the period	28,650,000	-	28,650,000	29,370,162	(720,162)	-3%
Capital Expenditure	28,650,000	-	28,650,000	20,732,142	7,917,858	28%
			-	-	-	

Notes

- **The Variation of the Actual amounts on comparable basis to amounts in the Statement of Financial performance is due to the Accounting Basis (Budget is Cash Basis , Statement of Financial performance is Accrual)**

19. Notes to the Financial Statements

1. General Information

Kericho Township Tvc is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer technical training.

2. Statement of Compliance and Basis of Preparation

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

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>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 cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p>

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

iii. Early adoption of standards

Kericho Township TVC did not early-adopt any new or amended standards in year 2023/2024.

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 has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

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.

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

b) Budget information

The original budget for FY 2023/2024 was approved by the Board on **30/6/2023**. 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 didn't record any additional appropriations on the FY 2023/2024 budget following the Board's approval. 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 **xx** under section **xxx** 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*.

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.

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

- 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. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.* 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 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..

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.

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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 *Kericho Township TVC*.

k) Provisions

Provisions are recognized when the Institute 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 *Institute* 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

Kericho Township 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

Kericho Township 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 *Institute* 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 benefit 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) Nature and purpose of reserves

Kericho Township TVC creates and maintains reserves in terms of specific requirements.

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

Kericho Township TVC provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

p) Foreign currency transactions

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

q) 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.

r) Related parties

Kericho Township 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.

s) Service concession arrangements

Kericho Township TVC 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

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, Kericho Township TVC also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) 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.

u) Comparative figures

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

v) 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

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Kericho Township TVC.
- 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

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 14(b).

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

5. Transfers from other National Government entities

Description	FY/2023 /2024		FY/2022 /2023	
	KShs		KShs	
Capitation Grants		9,335,425		6,367,000
Conditional Grants				500,000
Njoro Tvc Grants		230,000		-
Total Government grants and subsidies		9,565,425		6,867,000

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending the Grant	Amount Recognized to of Financial Performance	Amount Deferred Undeferred Income	Amount Recognized in Capital Fund	Total Grant Income During the year	2022-2023
State Department of VTT	9,335,425	-	-	9,335,425	6,867,000
	-	-			
	-	-			
	9,335,425	-	-	9,335,425	6,867,000

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

6. Rendering of Services

Description	FY/2023 /2024	FY/2022 /2023
	KShs	KShs
Tuition	35,604,028	-
Activity fees	3,512,340	2,748,445
Attachment and Linkages	993,538	2,625,217
Insurance	-	1,145,110
placement fees	1,473,505	-
Examination fee	4,852,843	4,030,711
Trainee id	368,050	-
Electricity, Water and Conservancy	3,278,966	2,988,316
Development	1,521,288	3,233,161
Administrative Cost	1,526,442	3,241,813
Repairs, Maintenance and improvement	3,110,224	4,557,211
Medical& Insurance	1,864,303	757,379
Personnel Emoluments	6,629,360	9,311
Internet & Computer	23,150	-
Local, Travel & Transport	3,941,050	6,948,184
Student council	617,247	705,115
Salary Advance		5,000
Tour fee	110,000	-
Computer Packages fee	9,200	-
Admission fee	466,550	-
Driving school fee	35,400	-
Nita Levy	50	-
Tveta Fee	500	-
Student ID	118,100	-
Total Rendering of Services	70,056,134	32,994,973

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

7. Sale of Goods

Description	FY/2023 /2024	FY/2022 /2023
	KShs	KShs
KATTI Ball Games	-	150,000
Centre fee	-	54,000
Income from Sale of Milk	4,550	9,058
Income from Sale of Food	3,950	2,050
Hire of Facilities(Agricultural Exhibition)	-	290,000
Computer Packages fee	-	44,250
Hire of Facilities(CBET Capacity Building)	510,000	252,570
Placement fee	-	596,500
Supplier Registration	6,000	6,000
Rent Canteen	9,000	5,000
FEE REFUND	14,000	-
Hire of Facilities(Tea Belt Conference)	207,500	-
Hire of Facilities(Digitization of Government Services)	500,000	-
Labour productivity	700,000	-
Psc Interview	207,800	-
Income from sale of Agricultural produce	600	-
Total Sale of Goods	2,163,400	1,409,428

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

8. Use of Goods and Services

Description	FY/2023 /2024	FY/2022 /2023
	KShs	KShs
Teaching and learning materials	7,305,281	5,568,601
Electricity and water	99,897	49,309
Administrative costs	8,211,331	6,277,251
Medical expenses	73,810	13,200
Bank charges	190,789	37,918
Internet & Computer	239,153	1,009,174
Local , Travel and Transport	5,028,268	4,584,989
Development	-	2,081,582
Hospitality Expense	239,499	-
Student ID	209,700	62,440
Student council	838,268	146,710
Stationery	1,798,934	2,272,025
Insurance	23,800	-
Student Activity Expense	1,888,412	1,445,229
Attachment and Linkages	293,957	223,051
Examination Registration	7,742,214	5,140,579
Tea Belt Conference Expense	644,540	-
Digitization of Gov. Services Expense	73,800	-
Marketing	1,707,027	2,019,011
Purchase of College farm milk	72,180	-

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Fee Refund Expense	95,515	
Staff Training Expense	1,107,000	
Labour Productivity Conference Expense	20,000	
PSC Interview Expense	34,750	
Tour Expense	299,190	
KUCCP Placement	502,500	
Transfer to mentee	230,000	
Driving School Remitances	139,000	
Total good and services	39,373,386	32,706,819

9. Employee Costs

Description	FY/2023 /2024	FY/2022 /2023
	KShs	KShs
Salaries and wages	8,875,709	4,294,864
NSSF		518,413
NHIF		180,900
HELB		93,958
NITA Levy		3,750
Total Employee costs	8,875,709	5,091,885

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

10. Board Expenses

Description	FY/2023 /2024	FY/2022 /2023
	KShs	KShs
BOG Allowance	637,000	945,740
Other allowances		-
Total director emoluments	637,000	945,740

11. Depreciation and Amortization expense

Description	FY/2023 /2024	FY/2022 /2023
	KShs	KShs
Property, plant and equipment	9,489,481	8,257,413
Intangible assets		-
Total depreciation and amortization	9,489,481	8,257,413

12. Repairs and Maintenance

Description	FY/2023 /2024	FY/2022 /2023
	KShs	KShs
Property	2,292,572.00	2,337,785.00
Equipment and Machinery	1,236,130.00	-
Total Repairs and Maintenance	3,528,702.00	2,337,785.00

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

13. Cash and Cash Equivalents

Description	FY/2023 /2024	FY/2022 /2023
	KShs	KShs
Kenya Commercial Bank - Operation	578,010	166,509
Kenya Commercial Bank - NGCDF	89,239	
Equity	697,023	588,214
Cash on hand	1,330	11,305
Total cash and cash equivalents	1,365,603	766,028

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

Financial Institution	Account	FY/2023 /2024	FY/2022 /2023
		KShs	KShs
a) Current Account			
Kenya Commercial Bank	1267113979	578,010	166,509
Kenya Commercial Bank-NGCDF	1319454704	89,239	
Equity Bank, etc.	530279598412	697,023	588,214
Sub- Total		1,364,273	754,723
b) Others(Specify)			
Cash in Transit		-	-
Cash in Hand		1,330	11,305
Sub- Total		1,330	11,305
Grand Total		1,365,603	766,028

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

14. Receivables from Exchange transactions

Description	FY/2023 /2024	FY/2022 /2023
	KShs	KShs
Current receivables		
Student debtors	56,094,141	15,274,300
		-
Total current receivables	56,094,141	15,274,300

14 (a) Ageing Analysis of Receivables from Exchange transactions

Description	FY/2023 /2024	FY/2022 /2023		
	Kshs	Kshs		
	FY/2023 /2024	% of the total	FY/2022 /2023	% of the total
Less than 1 year	48,762,477	89	9,164,580	60
Between 1- 2 years	7,331,664	11	6,109,720	40
Total	56,094,141	100	15,274,300	100

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

14 (b) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	7,331,664	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	7,331,664	-

15. Inventory

Description	FY/2023 /2024	FY/2022 /2023
	KShs	KShs
Cleaning and Grounds	38,840	111,200
Kitchen Section	63,600	1,470
Building Section	99,540	25,630
Fashion and Design	86,320	71,230
Stationery	165,980	213,440
Food and Beverage	9,135	16,138
Plumbing	50,954	85,550
Hair Dressing		168,042
Electrical	235,270	151,910
Agriculture		210,264
Building & Civil Engineering	78,540	
Total trade and other payables	828,179	1,054,874

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

16. Property, Plant and Equipment

	Land	BUILDING AND STRUCTURES	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs		Shs
At 1 July 2022	60,000,000	88,989,787	3,843,250	1,368,111	10,857,750	772,860	165,831,758
Additions	-	-	400,000	15,000,000	543,900	-	15,943,900
Disposals	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-
At 30 June 2023	60,000,000	88,989,787	4,243,250	16,368,111	11,401,650	772,860	181,775,658
Additions	-	16,335,987	2,400,000	228,000	1,188,155	580,000	20,732,142
Disposals	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	772,860	772,860
At 30 June 2024	60,000,000	105,325,774	6,643,250	16,596,111	12,589,805	580,000	201,734,940
Depreciation and impairment							-
At 1 July 2022	-	1,779,796	480,406	410,433	1,357,219	-	4,027,854
Depreciation	-	1,744,200	470,355	4,787,303	1,255,554	-	8,257,413
Impairment							
Impairment	-	-	-	-	-	-	-
At 30 06 2023	-	3,523,996	950,762	5,197,737	2,612,773	-	12,285,267
Depreciation	-	2,106,515	830,406	4,978,833	1,573,726	-	9,489,481
Impairment							
Transfers/adjustments							
At 30 06 2024	-	5,630,511	1,781,168	10,176,570	4,186,498	-	21,774,747
Net book values							-
At 30 06 2023	60,000,000	85,465,791	3,292,488	11,170,374	8,788,877	772,860	169,490,391
At 30 06 2024	60,000,000	99,695,263	4,862,082	6,419,541	8,403,307	580,000	179,960,193

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

16(a) Property plant and Equipment at cost

Cost	Cost	Accumulated Depreciation	NBV
	Shs	Shs	Shs
Land	60,000,000.00	-	60,000,000.00
Buildings	105,325,774.36	5,630,511.06	99,695,263.30
Plant and Machinery	12,589,805.00	4,186,498.29	8,403,306.72
Computers and Related Equipment	16,596,111.00	10,176,569.91	6,419,541.09
Office Equipment, Furniture and Fittings	6,643,250.00	1,781,167.97	4,862,082.03
Capital Work in progress	580,000.00	-	580,000.00
At 30 06 2024	201,734,940.36	21,774,747.22	179,960,193.14

Disclosure

We are in possession of Government Vehicle Numbered GKA288U owned by State Department of Technical and Vocational College

17. Biological Assets

	FY 2023-2024	FY/2022 /2023
	KShs	KShs
Cattle	100,000.00	100,000
Trees	-	-
Total	100,000.00	100,000.00 -

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

18. Trade and Other Payables

Description	FY/2023 /2024		FY/2022 /2023	
	Kshs		Kshs	
Trade payables	26,774,916		4,662,309	
Salary deductions	1,896,870		-	
Third-Party Payments- Payables to Kericho NP	2,446,308		2,446,308	
Total Trade and Other Payables	31,118,094		7,108,617	
Ageing analysis:	FY/2023 /2024	% of the Total	FY/2022 /2023	% of the Total
Under one year	24,009,477	77	4,662,309	66
1-2 years	4,662,309	15	2,446,308	34
2-3 years	2,446,308	8		0
Over 3 years	-	0		0
Total	31,118,094	100	7,108,617	100

**Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024**

19. Refundable Balances

Description	FY/2023 /2024		FY/2022 /2023	
	Kshs		Kshs	
Caution money	1,730,050.00		740,350.00	
Total Deposits	1,730,050.00		740,350.00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	989,700.00	25	740,350.00	100
1-2 years	740,350.00	75	-	0
2-3 years	-	0	-	0
Over 3 years	-	0	-	0
Total	1,730,050.00	100	740,350.00	100

20. Fee Received in Advance

Description	FY/2023 /2024	FY/2022 /2023
	KShs	KShs
Fees Received in Advance	6,782,665	-
		-
Closing balance	6,782,665	-

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

21. Cash generated from Operations

Description	FY/2023 /2024	FY/2022 /2023
	KShs	KShs
Surplus for the year	19,880,681	(8,068,241)
Adjusted for:		
Depreciation and amortisation	9,489,481	8,257,413
Working Capital adjustments		
(Increase) in receivables	(40,819,841)	(1,810,229)
Decrease in payables	25,031,687	2,387,085
Increase in payments received in advance	6,782,665	
Decrease in Inventory	967,045	
Net cash flow from operating activities	21,331,717	766,028

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

22. 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	15,274,300.00	12,219,440.00	3,054,860.00	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	766,028.00	-	-	-
Total	16,040,328.00	12,219,440.00	3,054,860.00	-
At 30 June 2024				
Receivables from exchange transactions	56,094,141	44,875,312.80	11,218,828.20	-
Receivables from non-exchange transactions	0	-	0	-
Bank balances	1,276,363	-	0	-
Total	57,370,504	44,875,312.80	11,218,828.20	-

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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

The entity has no significant concentration of credit risk.

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	1,896,870	2,843,447	4,265,170	9,005,487
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	1,896,870	2,843,447	4,265,170	9,005,487
At 30 June 2024				
Trade Payables	1,896,870	17,532,734	11,688,490	31,118,094
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	1,896,870	17,532,734	11,688,490	31,118,094

(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.

a) Foreign currency risk

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

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

Foreign currency sensitivity analysis

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

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.

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase .

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	FY/2023 /2024	FY/2022 /2023
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	(1,945,171)	(21,825,852)
Capital Reserve	-	-
Total Funds	(1,945,171)	(21,825,852)
Total Borrowings	-	-
Less: Cash and Bank Balances	(1,365,603)	(766,028)
Net Debt/(Excess Cash and Cash Equivalents)	(3,310,774)	(22,591,880)
Gearing	170	104

23. Related Party Balances

Nature of related party relationships

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

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Government of Kenya

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

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

24. Events After the Reporting Period

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

25. Ultimate and Holding Entity

Kericho Township TVC is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

26. Currency

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

**Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024**

27. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Land ownership Documents	Survey has been done	Not resolved	30/6/2025
2	Non Compliance with Law on ethnic Composition	Advertisement was done for Vacancies in December 2021. Both the Long and Shortlist was from the Ethnic Community due to Applications received	Not resolved	30/6/2025

.....

Name 

Accounting Officer

Principal

Date 

**Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024**

28. Appendix II: Projects Implemented by Kericho Township TVC

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)
N/a	N/a	N/a	N/a	N/a	N/a	N/a

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	College Gate	3,490,000.36	3,195,000	90	3,490,000.36	3,195,000	KTTVC
2	Twin Workshop	4,800,272	4,700,272	98	4,800,272	4,700,272	KTTVC
3	Hairdressing and Beauty Workshop	4,464,170	1,537,600	98	4,464,170	1,537,600	KTTVC

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity; Ministry of Education

Name of beneficiary entity; Kericho Township Tvc

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June (Current FY)

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
FT232713M8XL	28/09/2023	2,817,500	0	2,817,500	
FT24018Q3782	18/01/2024	2,663,500	0	2,663,500	
FT240317BJ3S	31/01/2024	3,044,000	0	3,044,000	
FT24151G18WV	30/05/2024	1,040,425	0	1,040,425	
Total				9,565,425	

**Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024**

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 Kusgei Enock (CA) Sign  Date

Date 26/6/2024

Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Appendix IV: Reporting of Climate Relevant Expenditures

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

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 (Ksh s.)	Comments
N/a	N/a	N/a	N/a	N/a	N/a	N/a