

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

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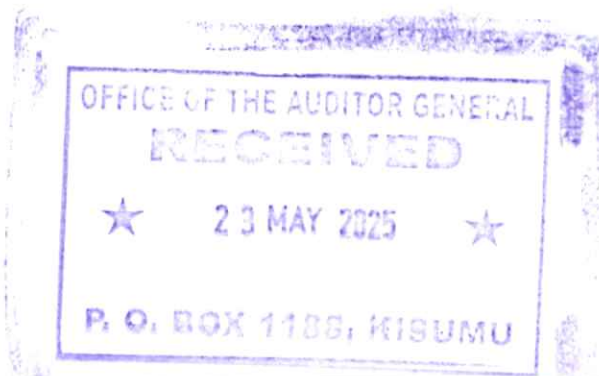
**THE AUDITOR-GENERAL**

**ON**

**UGENYA TECHNICAL AND VOCATIONAL  
COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

**STATE DEPARTMENT FOR TECHNICAL AND  
VOCATIONAL EDUCATION AND TRAINING**



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# **UGENYA TECHNICAL AND VOCATIONAL COLLEGE**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2023**

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**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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**Table of Content**

1.	Acronyms & Glossary of Terms.....	iii
2.	Key Ugenya Technical and Vocational College Information and Management.....	iv
3.	The Board of Governors.....	vi
4.	Key Management Team.....	x
5.	<b>Chairman’s Statement</b> .....	xii
6.	Report of the Principal.....	xiii
7.	Statement of Performance against Predetermined Objectives.....	xv
8.	Corporate Governance Statement.....	xvi
9.	Management Discussion and Analysis.....	xvii
10.	Corporate Social Responsibility Statement/Sustainability Reporting.....	xviii
11.	Report of the Board of Governors.....	xix
12.	Statement of Board of Governors Responsibilities.....	xx
13.	Report of the Independent Auditor on Ugenya TVC.....	xxi
14.	Statement of Financial Performance For The Year Ended 30 June 2023.....	1
15.	Statement of Financial Position As At 30th June 2023.....	2
16.	Statement of Changes in Net Asset For The Year Ended 30 June 2023.....	3
17.	Statement of Cash Flows For The Year Ended 30 June 2023.....	4
18.	Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023.....	5
19.	Notes to the Financial Statements.....	7
20.	Appendices.....	23

**1) ACRONYMS & GLOSSARY OF TERMS**

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

UTVC - Ugenya Technical and Vocational College

AFI – Administration, Finance and Infrastructure

ARISA – Administration, Research, Innovation and Students Affairs.

Fiduciary Management - Key management personnel who have financial responsibility in the  
entity

**2) KEY UGENYA TECHNICAL & VOCATIONAL COLLEGE INFORMATION AND MANAGEMENT**

**(a) Background information**

Ugenya Technical and Vocational College is established under the TVET Act 2015. The college is domiciled in Kenya under the Ministry of Education State Department of Vocational and Technical Training. In executing its core mandate, the college offers the following courses at Artisan, Certificate and Diploma levels:

- Electrical Engineering
- Building and Civil Engineering
- Plumbing Technology
- Business Management
- Supply Chain Management
- Human Resource Management
- Social Work and Community Development
- Refrigeration and Air Conditioning
- Mechanical Engineering
- General Agriculture
- Agricultural Engineering
- Welding and Fabrication
- Automotive Engineering
- Motor Vehicle Mechanics
- Information Communication Technology

**(b) Principal Activities**

The principal mandate of Ugenya Technical and Vocational College is to offer Technical and Vocational Training.

**(c) Management**

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

- Board of Governors.
- Accounting officer/ Principal
- Principal Management Committee (PMC)

**(d) Fiduciary Management**

The key management personnel who held office during the Year ended 30<sup>th</sup> June, 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mrs. Elizabeth A.O. Okullu
2.	Deputy Principal	Dr. John Mark Osodo
3.	Registrar	Antone Oloo Churchill
4.	Dean of Students	Hezron S. Malimu
5.	Head of Finance	Simon Njoga
6.	Head of Procurement	Bethsheba Oyuga

**(e) Fiduciary Oversight Arrangements**

**Audit and risk committee activities-** This committee is charged with the responsibility of ensuring the proper functioning and statutory compliance in the execution of the functions of the college. This duty is performed by the internal auditor that the college has recruited

**Finance and operations committee activities** – This committee is responsible for the supervision of College Budget preparation, preparation and review of finance policy, compilation of financial reports and financial advice to the management of the college.

**Academic committee activities-** This committee is chaired by the deputy principal. The function of this committee is to ensure compliance and achievement of the core mandate of the college, that is, training. This committee also coordinates the preparation of the academic policies and internal quality assurance policy.

**Ugenya Technical and Vocational College**

**Annual Report and Financial Statements for the year ended 30th June 2023**

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**Procurement committee** – In this department we have the following committees;

Tender opening committee – the function of this committee is to officially receive the bids and verify on a specific date quoted in the tender floated.

Tender Evaluation committee – This committee is responsible for the technical evaluation of the bids once received by the tender opening committee.

Inspection acceptance and rejection committee is responsible for the inspection and receipt of the goods and services on behalf of the college.

**f) College main Campus**

P.O. Box 74 -40614  
Along Kisumu- Busia Highway  
Sega, Kenya

**g) College Contacts**

Tel.No. : 0115107907/0115159121/0734-899-999  
E-mail: [ugenya.techcollege@gmail.com](mailto:ugenya.techcollege@gmail.com)/[info@utvc.ac.ke](mailto:info@utvc.ac.ke)  
Website: <https://www.utvc.ac.ke/webmail>

**h) College's Bankers**

Kenya Commercial Bank  
P.O. Box  
Siaya, Kenya

**i) Independent Auditors**



Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**j) Principal Legal Adviser**




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

**Ugenya Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2023**

**3) THE BOARD OF GOVERNORS**

BOG's passport-size photo and Name.	Description of each BOG's Date of Birth, key qualifications and work experience.
 <p>1. Dr. Satwinder Singh Rupra, PhD BOG Chairperson</p>	<p>D.O.B 4<sup>th</sup> August, 1985  <b>Qualifications:</b>            PhD: Cyber Security            Msc: Information Technology  <b>Work Experience:</b>            Director and Chief Technical Officer, Sumo Computers – 2008 to Date            Director and Chief Executive Officer, Celectric Limited – 2016 to Date            Part-time Lecturer -2015 to May 2017            Broadband Internet technologies-3 years            IP PBX Setup and Management-2 years            Joomla Website Design and Management-1 year            IP and Analogue Surveillance Systems (CCTV)- 1 year            Mikrotik Routers Setup and Configuration-2 years            Fiber Optics and Copper Installations-5 years</p>
 <p>2. Mrs. Elizabeth A.O. Okullu Principal/BOG Secretary</p>	<p><b>DOB : 17<sup>th</sup> October , 1968</b>  <b>Qualifications:</b>            Masters – Leadership Administration &amp; Management            B.E.D (Arts)            Diploma in Education - 1989- 1990  <b>Work Experience:</b>            Principal Ugenya Technical and Vocational College-            Dec 2020 to date            Deputy Principal Bondo Technical &amp; Vocational            College – 2018-2020            Registrar Bondo Technical and Vocational College –            2016-2018            Dean of Students Kisumu National– 2015-2016            Assistant Dean of students – Kisumu National            Polytechnic – 2012-2015            Head of Guidance &amp; Counselling – 2010 - 2012            Assistant H.O.D Guidance &amp; Counselling 2008-2010            Polytechnic            Secretary of Ethics &amp; Anti-corruption – 2009            Research &amp; Innovation committee member – 2009-            2012</p>

**Ugenya Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2023**



	<p><b>DOB. 05<sup>th</sup> July, 1975</b>  <b><u>Qualifications:</u></b>  Master of Business Administration: Operations Management.  B.E.D (Arts)  CPA part 1 (section 1 and 2)  <b><u>Work Experience:</u></b>  Board Member Siaya Institute of Technology (2014-2020)  Airtel Kenya Ltd - Kisumu Branch.  Acting Branch Manager and Customer Service Representative-Cash. From December 2007- August 2011  Celtel Kenya Ltd Eldoret Branch- Accountant. March 2004- November 2007</p>
	<p><b>DOB</b>  <b><u>Qualifications:</u></b>  Bachelor of Business Administration (Accounting and Finance) Certified Public Accountant, Sec. 6.  <b><u>Work Experience:</u></b>  Part time Audit Assistant Olive Joy Care Estate and Property Managers Ltd., 2019- to Date  Volunteer - Accountants Payable, Colnet Limited 2018  Research assistant population council, Endline, 2017  Research assistant population council, Step Up, 2016  Accountant, Harler &amp; Supreme Logistics Ltd, 2015  Accounts Intern, Co-Operative College of Kenya, from May-August 2012  Assistant Internal Auditor, Sentrim Kenya Ltd (680 Hotel), from January - December 2011  Accounts Assistant, Europa Tools Company Ltd, August-December 2010</p>
	<p><b>DOB: 1989</b>  <b><u>Qualifications:</u></b>  Bachelor of Technology in Civil and Structural Engineering - 2013  <b><u>Work Experience:</u></b>  Water Engineer (Living Water Service Centre, Kisumu field office) 2013 to Date</p>

3. Mr. Oscar Mujumba  
BOG Chair Administration,  
Finance and Infrastructure  
Committee



4. Ms. Esther Natembea Simiyu  
BOG Chair Audit and Risk  
Committee

5. Phylis Kaptuya Boronjo  
BOG Member




**Ugenya Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2023**

	<p>DOB 29<sup>th</sup> September, 1985</p> <p><b><u>Qualifications:</u></b> Master's Degree in Project Planning and Management Bachelor's Degree in Computer Science Uganda Advanced Certificate of Education (U.A.C.E)</p> <p><b><u>Work Experience:</u></b> Information Technology Officer –HJFMRI Kisumu from 3<sup>rd</sup> April 2017 To Date: Information Technology Specialist CWS-RSCAFRICA from April 2016 To February 2017 Systems Administrator Kisumu Water &amp; Sewerage Company (KIWASCO) from Nov 2015 To April 2016 Systems Administrator KEMRI/CDC from March 2014 to May 2015 Assistant Systems Administrator KEMRI/CDC from March 2011 To March 2014 ICT Help Desk KEMRI/CDC from 30<sup>th</sup> Sept 2009-30 DEC. 2010 Attachment KEMRI/CDC from June 2008 – August 2008 E-mol Enterprises from Dec 2005-April 2006</p>
<p>6. Ms Nivian Anyango Ogogo BOG Member</p>	<p>DOB 6<sup>th</sup> November, 1959</p> <p><b><u>Qualifications:</u></b> Bachelor's Degree in Project Management Diploma in Water Engineering. Practical training attachment at Kwa Mutonga Dam Construction site for 4 Months. 6 months Pre-Selection course.</p> <p><b><u>Work Experience:</u></b> Asset Development and Management manager under Technical Department with Lake Victoria South Water Services Board from 2005 to Date Head of operation and maintenance of water Supplies and sewerage in Siaya District. 2002-2005 Head of the Bura Domestic Water Supply &amp; Sewerage section. 1996 Deputy Manager Bura Irrigation and Settlement project 1996-1997 Superintendent Water Engineering Officer 1997 Supervisor construction works Kenya-Finland Rural Water Development Project as construction Supervisor from 1986-1995 Engineering Assistant Kakamega Provincial Water Office from 1982-1986</p>
	
<p>7. Mr. Joeseph Otieno Omolo BOG Member</p>	




Ugenya Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2023

 <p>8. Mr. Njoroge Bonface Mucina BOG Member</p>	<p>DOB 1958</p> <p><b><u>Qualifications:</u></b> Bachelor of Education Science (Kiswahili and English)</p> <p><b><u>Work Experience:</u></b> Maize and Poultry Farmer in Tranzoia from 2000 to Date Chairman Community Driven Development Committee (CDDC) from 2018-2019 Head of Department Applied Science, Chair of Institute of AQAS Committee and Auditor Quality System in Kitale National Polytechnic from 2001-2018 Head of Science Department Nasol Girls Secondary School and Chairman West Pokot Science and Technology Congress from 1991-2001 Classroom Teacher and Head of Science Department Saboti Secondary School from 1990-1991 Classroom Teacher and Patron Wild life Club Kibuk Girls High School from 1989-1990 Boarding Master, Games Master, Acting Deputy Principal and Patron Wild life Club Kimaeti Secondary School from 1985-1988</p>
 <p>Mr. Innocent Muganda BOG Member</p>	<p>DOB 1981</p> <p><b><u>Qualifications:</u></b> Degree in Law Diploma in Law</p> <p><b><u>Work Experience:</u></b> Managing Patner Sagana , Biriq &amp; Company Advocates from 2012- to date Associate Ahmednasir, Abdikadir &amp; Co. Advocates- from 2010 – 2-11, Assistant Manager Legal Affairs with Diamond Trust Bank from 2006- 2010 Legal Assistant Mohammed Madhani &amp; Co. Advocates from 2004-2006</p>

**4) KEY MANAGEMENT TEAM**

PMC passport-size photo, name, and key Professional/Academic qualifications	Responsibility
 <p>Mrs. Elizabeth Okullu                      Principal/BOG Secretary                      B.E.D (Arts)</p>	<p>Chief Executive Officer/Principal                      General management of the college</p>
 <p>Dr. John Mark Osodo                      D/Principal                      PhD Planning &amp; Economics of Education</p>	<p>Oversee and supervise training                      Coordinate and supervise the operations                      of the Technical staffs.</p>
 <p>Mr. Antone Oloo Churchill                      Registrar                      BA. International Relations and Diplomacy</p>	<p>In-charge of students admission and                      examination administration.                      Advise the management on matters of                      students' enrolment.</p>

**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

 <p>Mr. Hezron S. Malimu          Dean of Students          Diploma in Mechanical Engineering</p>	<p>Oversee Students welfare.          Coordination of students HELB Loan applications.</p>
 <p>Simon Njoga          Accountant          CPA SEC.III</p>	<p>In charge of preparation of financial statements and Book Keeping.          Financial Adviser to the Chief Executive Officer/Principal</p>
 <p>Bethsheba Oyuga          Supply Chain Officer          Diploma in Supply Chain</p>	<p>In charge of procurement and coordinates Annual Procurement Planning with the Heads of Departments and Heads of Sections.</p>

**5) CHAIRMAN'S STATEMENT**

The Current Board members were appointed on 09/02/2022 by the Cabinet Secretary Ministry of Education. The inauguration of the current Board was conducted on 08/04/2022 while the induction of the Board was carried out in Tom Mboya Labour College from 03/08/2022 to 05/08/2022.

The Board of Governors comprises of ten members including the Principal and the County Director TVET, who is the representative of the Permanent Secretary in the Board. The board oversees the management of the college to ensure proper financial stewardship and that the institution achieves its mandate as stipulated by the government of Kenya through the Cabinet Secretary Ministry of Education by reporting continuously on the operations of the college.

The college started its operations in September 2018 by admitting the first batch of 108 students. By the time this report was being prepared, the student population had since grown from 108 to 980 students.

During the financial year 2022/2023 F/Y, the college had a staff capacity of 57, that is, 19 trainers including administrators employed by the Public Service Commission (PSC), 25 Trainers and 13 Technical staff employed by the Board. The college short listed and interviewed 5 trainers to be engaged by the public service commission to help solve the shortage of trainers in the technical departments. It is our hope that the public service commission will continue to employ more trainers so that the Board can be relieved of the high wages it is facing currently. Irrespective of the financial challenges, the board managed to recruit an internal auditor, bus driver, store keeper- intern and the human resources officer for efficient service provision to our clients.

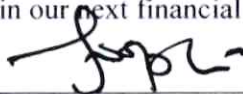
To widen our students training base, the Board has entered into memorandum of understanding with Bukura Agricultural Training College. This will facilitate the practical training for our Agriculture and food science students. The Board is also committed to ensuring that the college fully adopt the Competency Based Education and Training (CBET) curriculum as directed by the Ministry of Education, even though, our college is facing a number of challenges that include and not limited to; training rooms, tools and equipment, workshops.

The college managed to offer extension services to the community using the tractors that were provided by the ministry of Education for ploughing and planting services and therefore to a great extent we achieved the corporate social responsibility of the college to the community.

The major challenge that the institution faced during the financial year was lack of funds. This was attributed to reduction in capitation grant from kshs.30,000.00 to kshs.13,000.00, poor fees payment by parents and sponsors and insufficient budget by HELB to finance all our students who applied for funding. As a result, the college could not meet its budget obligations forcing the board to revise its budget downwards and only finance the mandatory core training activities. The Board has therefore appealed to the parents, sponsors and other government agencies to release funds in good time to help the college provide better and timely service.

The Board has also plans to widen its production unit areas for more revenue generation as indicated in our next financial year budget.

Sign \_\_\_\_\_



Date \_\_\_\_\_

22/05/2025

## **6) REPORT OF THE PRINCIPAL**

Ugenya Technical and Vocational College is one of the Technical and Vocational Colleges in Kenya. It is situated in Ugenya Sub- County, Siaya County. The principal mandate of our college is to offer Technical and Vocational Training in different cadres, that is, Artisan, Certificate and Diploma.

Our vision is to be an excellent global provider of Competency Based Education and Training with a mission to provide quality Technical, Vocational and Entrepreneurial Skills using State of the Art facilities based on Industry Needs and Industry Occupational Standards (IOS).

The management of the college is under the Board of Governors appointed by the Cabinet Secretary, Ministry of Education on 09/02/2022, inaugurated on 08/04/2022 and later inducted in Tom Mboya Labour College from 03/08/2022 to 05/08/2022. In executing their duties, the Board is guided by the statutory frame work and the Board charter., while on over sight and resource mobilisation role, the Board has formulated all the necessary policies to aid in the effective and efficient management of the college resources.

During the financial year 2022/2023 F/Y, the college had a staff capacity of 57, that is, 19 trainers including administrators employed by the Public Service Commission (PSC), 25 Trainers and 13 Technical staff employed by the Board. The college short listed and interviewed 5 trainers to be engaged by the public service commission to help solve the shortage of trainers in the technical departments. It is our hope and prayer that the public service commission will continue to employ more trainers so that the Board can be relieved of the high cost of wages it is facing currently. Irrespective of the financial challenges, the board managed to recruit an internal auditor, bus driver, store keeper- intern and the human resources officer for efficient service provision to our clients.

Based on the financial challenges that the college has always faced, we have endeavoured to ensure that the student population is consistency increased for revenue generation. This is indicated by the increase in the number of students from 644 in 2021/2022FY to 980 in the 2022/2023FY. This has been achieved through the elaborate modalities put in place by the college management.

It is also important to note that our college has had a continuous improvement in the Kenya National Examinations. In the year under review, the candidates who sat for the November, 2022 examinations managed a mean score of 77.08% and 71.05% in the march, 2023 examinations. This performance has made our college marketable among other colleges.

To widen our student training base, the college has entered into memorandum of understanding with Bukura Agricultural Training College. This is meant to facilitate the practical training for our Agriculture and food science students notwithstanding the Agricultural Engineering students. The college is also determined to implement the Competency Based Education and Training (CBET) curriculum as directed by the Ministry of Education, even though, our college is facing a number of challenges that include and not limited to; training rooms, tools and equipment, workshops and practical training materials.

As one of our production unit areas and community empowerment mandate, college managed to offer extension services to the community using the tractors that were provided by the ministry of Education for ploughing and planting services and therefore to a great extent we achieved the corporate social responsibility of the college to the community. The college also allowed the community and the neighbouring schools to collect water from the college borehole.

On environment, we have managed to plant five hundred additional trees in line with National Environment Management authority requirements. This is purposely to help in controlling the soil erosion and wind since the college is situated in a steep slope. We have also planted and supervising the growth of 400 trees in Ligose Primary School in line with our performance contract targets. Being a centre of excellence in Agriculture and Agricultural Engineering, the college has laid down strategies to ensure that the community around the college also benefit from the agricultural activities and initiatives offered by our college.

The major challenge that the institution faced during the financial year was lack of funds. This was attributed to reduction in capitation grant from kshs.30,000.00 to kshs.13,000.00, poor fees

**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

payment by parents and sponsors and insufficient budget by HELB to finance all our students who applied for funding. Going by the student population during the year, 2022/2023FY, our college was supposed to receive kshs.29,400,000.00 as capitation, even though the actual receipt was kshs.9,033,000.00. As a result, the college could not meet its budget obligations forcing the management to revise its budget downwards and to only finance the mandatory core training activities.

The college has appealed to the parents, sponsors and other government agencies to release funds in good time to help the college provide better and timely service.

The Board has also planned to widen its production unit areas for more revenue generation as indicated in our next financial year budget.

Sign 

Date 22/05/2025



**7) STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES**

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

- a) Strategic plan Pillar
- b) Financial Sustainability Pillar

Ugenya Technical and Vocational College develops its annual work plans based on the above two pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Board achieved its performance targets set for the FY 2022/2023 period for its two strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Strategic Plan	To guide the general performance of the college activities.	- Approved strategic plan ready for implementation.	- Sensitization of staff on the strategic plan. - Implementation of the strategic plan.	- Sensitized Staff - organized institutional activities. - achievement of organizational goals.
Financial Sustainability	To Strengthen Mobilization and Management of Resources	- Records of budget estimates and financial statements and reports availed. - Records of PU funds collected - Records of fee collected	-Compliance with set budgetary Estimates - compliance with the statutory requirements. - Strengthen production unit collection - Strengthen fee payment	-100% compliance statutory requirements. - Increase in collections from PU - Amount of fee collected

### **8) CORPORATE GOVERNANCE STATEMENT**

The College Board of Governors consist of ten members including the principal who is the Secretary and the County Director Technical, Vocational Education and Training representing the cabinet secretary. The Board was formed on 9<sup>th</sup> February 2022 following the expiry of the term of the first Board. The inauguration was conducted on 8<sup>th</sup> April 2022 followed by Board induction on 3<sup>rd</sup> August 2022. The following are the Board members;

- |                                  |                       |
|----------------------------------|-----------------------|
| 1. Dr. Satwinder Singh Ruprah    | Chairman              |
| 2. Mrs Elizabeth Okullu          | Secretary (Principal) |
| 3. Mr Joseph Sunguti Chairperson | CDTVET                |
| 4. Ms. Esther Natembea Simiyu    | Member                |
| 5. Mr Joseph Otieno Omollo       | Member                |
| 6. Mr Boniface Njoroge           | Member                |
| 7. Ms Nivian Anyango Ogogo       | Member                |
| 8. Mr Oscar Mujumba              | Member                |
| 9. Eng. Phylis Kaptuya Boronjo   | Member .              |
| 10. Mr. Innocent Mugada          | Member                |

There are three committees within the board in line with the statutory requirements. These committees are; Risk and Audit, Administration Finance and Infrastructure (AFI) and Administration, Research, Innovation and Students Affairs (ARISA) committee. The membership of these committees are:

#### **Risk and Audit**

1. Esther S. Natembea – Chairperson
2. Innocent Mugada - Member
3. Felix O. Okinyi - Internal Auditor

#### **Administration Finance and Infrastructure (AFI)**

1. Oscar Mujumba - Chairperson
2. Phylis K. Boronjo – Member
3. Nivian A. Ogogo - Member
4. Joseph O. Omollo - Member

#### **Administration, Research, Innovation and Students Affairs (ARISA)**

1. Boniface Njoroge - Chairperson
2. Nivian A. Ogogo - Member
3. Joseph O. Omollo - Member
4. Innocent Mugada - Member

It is the policy of our Board that the conflict of interest shall always be declared before any meeting of the Board is commenced. The Board allowances are pegged at kshs.12,000.00 and kshs.8,000.00 as sitting and transport allowance for the Board chair while other members are entitled to kshs.10,000.00 as sitting allowance and kshs.3,000.00 as transport allowance.

**9) MANAGEMENT DISCUSSION AND ANALYSIS**

This committee is composed of the Principal, Deputy Principal, Registrar, Dean of Students, Finance Officer and the Supply Chain Officer. The committee is charged with the responsibility of ensuring that the operations of the college are effectively implemented in line with the statutory requirements and guide lines.

During the Financial Year 2022/2023, the college managed to undertake the following successfully;

- a) Planting of 400 trees in Ligose Primary School
- b) Valuation of the college assets
- c) Acquisition of the management information system.
- d) Formulation of strategic plan.
- e) Marketing of college courses and admission of new students according to the target.
- f) Starting of Competency Based Education and Training Courses
- g) Submission of quarterly financial statements and reports.

It is also important to report that, irrespective of the tremendous challenges, faced by our college, we have continuously improved our average mean score in the Kenya National Examinations that now stand at 76.44%.

By the close of the 2022/2023F/Y, our college had not received a total of kshs.20,367,000.00 in respect of capitation grant. This seriously affected the college Budget commitments as the college could not fulfil all the Budget contents occasioning the review of the Budget to limit the expenditure areas.

It is therefore the opinion of this committee that nothing has come to our attention to warrant Ugenya Technical and Vocational not to be a going concern in the unforeseen future.

**10) CORPORATE SOCIAL RESPONSIBILITY STATEMENT/ SUSTAINABILITY REPORTING**

During the financial year 2022/2023FY, the college carried out a number of outreach programmes to the community as follows:

**Ploughing Services** – the college offered ploughing services to the surrounding community at a subsidised rate enabling them to increase their farming scale at low cost leading to availability of food stuffs within the area.

**Water** – Due to water shortage in the area, the college allowed the surrounding households to draw water from its well as at when they required.

**Waste Management** - The College collects all the waste in a compost pit where the waste is managed to farm yard manure which is used in the farm for Agricultural purposes. Our college also trains the community on the modern agricultural practices to help them realize good harvest.

**Employee Welfare** –The college also facilitated various staffs to attend various trainings to help improve their skills to aid efficiency in the service delivery.

**Compliance with the Statutory Requirements**– the college applied and conducted transparent, accountable and very professional interviews for the staffs engaged during the financial year 2022/2023 where all the applicants were given equal opportunities to defend themselves and compete fairly for the advertised vacancies.

**Supplier Relationship** – This was well maintained by keeping good communication channels between the institution and the suppliers. All the contracts were honoured accordingly by both the institution and the suppliers based on the approved contracts and the specifications given to the suppliers. Consequently, the college paid its suppliers promptly after the delivery of the goods/ services. It's also important to note that the evaluation of the tender documents is done with transparency, integrity, professionalism and accountability and hence giving room for effective competition among the suppliers and better service provision.

**Environmental Conservation** – The College planted a total of 500 trees of different species in college compound and 400 trees in the neighbouring Ligose primary school.

**11) REPORT OF THE BOARD OF GOVERNORS**

The Board members submitted their report together with the audited financial statements for the year ended 30<sup>th</sup> June 2023 which show the state of the college's affairs.

**Principal activities**

The principal activity of the college is Training and Research.

**Board of Governors**

The current Board was appointed on 29<sup>th</sup> February, 2022. This Board has since been inaugurated and inducted. It consists of the following members;

1. Dr. Satwinder Singh Rupra, PhD - Chairperson
2. Mrs. Elizabeth O.A. Okullu - Secretary
3. Oscar Mujumba – Chairman - Administration, Finance and Infrastructure Committee
4. Boniface Njoroge –Chairperson – Administration, Research, Innovation, and Students Affairs
5. Philis K. Boronjo - Member
6. Esther Natembea Simiyu – Chairperson – Risk and Audit
7. Joseph Otieno Omollo Member
8. Nivian Anyango Ogogo - Member
9. Innocent Muganda - Member
10. Joseph Sunguti – County Director TVET

**12) STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES**

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

The Board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial period ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the 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 section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013. The Board members are of the opinion that the college's financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30, 2023, and of the college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The College's financial statements were approved by the Board on 27/07/2023 and signed on its behalf by:



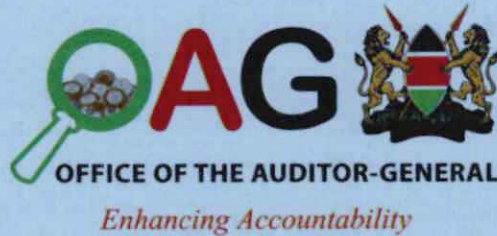
PRINCIPAL/BOG SEC.



CHAIRMAN

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON UGENYA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023 – STATE DEPARTMENT FOR TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

The accompanying financial statements of Ugenya Technical and Vocational College set out on pages 1 to 23, which comprise of the statement of financial position as at

*Report of the Auditor-General on Ugenya Technical and Vocational College for the year ended 30 June, 2023 – State Department for Technical and Vocational Education and Training*

30 June, 2023 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, have been audited on my behalf by GMK Accountants LLP, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In my opinion, except for the effect(s) 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 Ugenya Technical and Vocational College as at 30 June, 2023 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, Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Lack of Ownership Documents for Tractors and Trailers**

Note 19 to the financial statements reflects a balance of Kshs.71,651,713 in respect of property, plant and equipment which includes a balance of Kshs.15,506,845 for plant and equipment held by the College. Review of records revealed that the equipment included five (5) tractors and two (2) trailers donated by the Government of China through the Ministry of Education. However, the Management has not obtained legal ownership documents for these tractors and trailers.

In the circumstances, the ownership and accuracy of the plant and equipment balance of Kshs.15,506,845 could not be confirmed.

#### **2. Long Outstanding Students Debtors**

The statement of financial position reflects a balance of Kshs.7,080,234 in respect of receivables from exchange transactions – fees arrears and as disclosed in Note 17 to the financial statements. However, included in this balance are debtors outstanding for more than one (1) year amounting to Kshs.235,830 whose recoverability remains in doubt. Further, the Management has not provided an approved debt collection policy to facilitate effective collection of fees.

In the circumstances, the completeness and recoverability of student debtors balance of Kshs.7,080,234 could not be confirmed.

#### **3. Inaccurate Trade and Other Payables**

The statement of financial position reflects a nil balance in respect of trade and other payables and as disclosed in Note 20 to the financial statements. However, the statement

of cashflow reflect cash outflow amount of Kshs.26,420,185 while the statement of financial performance reflects an amount of Kshs.24,930,458 in respect of use of goods and services resulting to unreconciled and unexplained payables variance of Kshs.1,489,727.

In the circumstances, the accuracy and completeness of the trade and other payables Nil balance could not be confirmed.

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

### **Emphasis of Matter**

#### **Budget Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on a comparable basis of Kshs.37,766,797 and Kshs.57,429,712 respectively resulting to an over- funding of Kshs.19,662,915 or 52.06% of the budget. Similarly, the College spent Kshs.42,661,815 against a final approved budget of Kshs.37,766,797 resulting to an over-expenditure of Kshs.4,895,018 or 12.96% of the budget.

The over-expenditure may have resulted to the College spending on unapproved budget line items contrary to Section 13(3) and (5) Technical and Vocational Education and Training Act, 2013 which states that the annual estimates shall be submitted to the Cabinet Secretary for approval before the commencement of the financial year to which they relate and no expenditure shall be incurred for the purposes of the Board except in accordance with the annual estimates approved under Section (3) or in pursuance of an authorization of the Board.

My opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matter(s) described in the Basis for Qualified Opinion/Material Uncertainty Related to Going Concern section, I have determined that there are no other key audit matters to communicate in my report.

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.

## **Other Matter**

### **Unresolved Prior Year Audit Matters**

Review of the annual report and financial statements revealed that there are several issues under report on the financial statements, report on lawfulness and effectiveness in use of public resources and report on effectiveness of internal controls, risk management and governance that have not been resolved.

Management has not indicated the likely time when the issues will be addressed or the action taken towards their resolutions.

### **Other Information**

Management is responsible for the Other Information set out on page v to xxiii which comprise of Key Entity Information and Management, The Board of Management, 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, Report of the Board of Management, Statement of Board of Management 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.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Non-Compliance with Affirmative Action on Gender, Ethnicity and Regional Distribution**

Review of the staff records revealed that the College had a workforce of thirty-eight (38) employees out of which thirty-seven (37) or 99% were members from the dominant community. This was contrary to Section 7(1) and (2) of the National Cohesion and

Integration Act, 2008 that requires public establishment to seek to represent the diversity of the people of Kenya in employment of staff.

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

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

## REPORT ON THE 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, because of the significance of the matters discussed in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that internal controls, risk management and governance were not effective.

#### 1. Lack of Internal Audit Reviews

During the year under review, it was noted that there was no internal audit review of the College contrary to Section 73(3)(b) of the Public Finance Management Act, 2012 which require that the Internal Auditor shall conduct internal auditing which includes risk-based, value-for-money and systems audits aimed at strengthening internal control mechanisms that could have an impact on achievement of the strategic objectives of the entity.

In the absence of lack of constant reviews by the internal audit, the effectiveness of internal controls, risk management and governance structures of the College could not be confirmed.

#### 2. Failure to Update Fixed Assets Register

The statement of financial position reflects property, plant and equipment balance (net book value) of Kshs.71,651,713 as disclosed under Note 19 to the financial statements. However, Management did not update fixed asset register to record, track, and manage its assets. This was contrary to Regulation 143 of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the existence of effective internal controls to safeguard the assets could not be confirmed.

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

### **Responsibilities of the Management and 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 Institute'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.

The Board of Governors is responsible for overseeing the Institute'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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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

30 April, 2025


Ugenya Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2023

14) STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30  
JUNE 2023

Details	Notes	30 <sup>th</sup> June 2023 Kshs.	30 <sup>th</sup> June 2022 Kshs.
<b>Revenue from non-exchange transactions</b>			
Capitation Grant	6	9,033,000	16,882,500
Public contributions and donations	26	20,963,882	-
<b>Total Revenue from non-exchange transactions</b>		<b>29,996,882</b>	<b>16,882,500</b>
<b>Revenue from exchange transactions</b>			
Rendering of services – Fees from Students	7	26,899,830	18,268,980
Other income - Production unit	8	533,000	43,800
<b>Total Revenue from exchange transactions</b>		<b>27,432,830</b>	<b>18,312,780</b>
<b>Total Revenue</b>		<b>57,429,712</b>	<b>35,195,280</b>
<b>Expenses</b>			
Use of good and services	9	24,930,458	20,408,734
Employee costs	10	7,995,776	7,330,576
B.O.G Members Costs	11	2,770,623	742,290
R.M. I	12	796,035	1,649,387
Contracted services	13	1,492,208	572,000
Production unit	14	419,800	78,250
Depreciation on PPE	19	4,256,915	3,560,432
<b>Total expenses</b>		<b>42,661,815</b>	<b>34,341,669</b>
<b>Surplus for the period</b>		<b>14,767,897</b>	<b>853,611</b>

The notes set out on pages 6 to 13 form an integral part of the Annual Financial Statements.

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

  
.....  
Chairman of the Board  
Date 22/05/2025

  
.....  
Finance Officer  
Date 22/5/2025

  
.....  
Principal  
Date : 22/05/2025


**Ugenda Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**15) STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE, 2023**

Details	Notes	30 <sup>th</sup> June 2023	30 <sup>th</sup> June 2022
		Kshs.	Kshs.
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	7,061,956	15,013,863
Fees Arrears - Receivables	17	7,080,234	7,660,723
Inventories	18	368,293	271,782
<b>Total Current Assets</b>		<b>14,510,483</b>	<b>22,946,368</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	19	71,651,713	53,294,746
<b>Total Assets</b>		<b>86,162,196</b>	<b>76,241,114</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	-	-
Refundable deposits (prepaid fees)	21	2,688,164	7,534,979
<b>Total Current Liabilities</b>		<b>2,688,164</b>	<b>7,534,979</b>
<b>Total Net Assets</b>		<b>83,474,032</b>	<b>68,706,135</b>
Capital Reserve Fund		55,159,669	55,159,669
Revenue Reserve		28,314,363	13,546,466
<b>Total Net Liabilities</b>		<b>83,474,032</b>	<b>68,706,135</b>

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Governors by: The Principal and Chairman of the Board.

  
**Finance Officer**  
 Date: 22/5/2025

  
**Principal**

  
**Chairman Board of Governors**

Date: 22/05/2025

Date: 22/05/2025



Ugenya Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2023

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16) STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE  
2023

Details	Capital Reserve	Revenue Reserve	Total
	Kshs	Kshs	Kshs
<b>At June 30, 2021</b>	<b>55,159,669.00</b>	<b>12,692,855.00</b>	<b>67,852,524.00</b>
Surplus for the year		853,611.00	853,611.00
<b>At June 30, 2022</b>	<b>55,159,669.00</b>	<b>13,546,466.00</b>	<b>68,706,135.00</b>
Surplus/ Deficit for the year	0	14,767,897.00	14,767,897.00
<b>At June 30, 2023</b>	<b>55,159,669.00</b>	<b>28,314,363.00</b>	<b>83,474,032.00</b>

**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**17) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

Details	Notes	30 <sup>th</sup> June 2023 Kshs.	30 <sup>th</sup> June 2022 Kshs.
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from Government- Capitation grants	6	9,033,000	16,882,500
Rendering of services- Fees from students	22	24,598,570	26,418,178
Other income	8	533,000	43,800
<b>Total Receipts</b>		<b><u>34,164,570</u></b>	<b><u>43,344,478</u></b>
<b>Payments</b>			
Use of goods and services	23	26,420,185	21,759,394
Compensation of employees	24	8,041,626	7,873,360
Repair Maintenance and Improvement	25	802,035	1,770,590
Board Costs	11	2,770,623	742,290
Contracted Services	27	1,492,208	616,000
Production Unit	14	419,800	78,250
<b>Total Payments</b>		<b><u>39,946,477</u></b>	<b><u>32,839,884</u></b>
<b>Net cash flows from operating activities</b>		<b><u>(5,781,907)</u></b>	<b><u>10,504,594</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment Assets	19	(2,170,000)	(2,472,184)
<b>Net cash flows used in investing activities</b>		<b><u>(2,170,000)</u></b>	<b><u>(2,472,184)</u></b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b><u>(7,951,907)</u></b>	<b><u>8,032,410</u></b>
Cash and cash equivalents at 1 <sup>st</sup> July 2022		15,013,863	6,981,453
<b>Cash and cash equivalents at 30<sup>th</sup> June 2023</b>		<b><u>7,061,956</u></b>	<b><u>15,013,863</u></b>

**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**18) STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

Details	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	PERFORMANCE DIFFERENCE	UTILIZATION DIFFERENCE
	2022-2023 Kshs	2022-2023 Kshs	2022-2023 Kshs	2022-2023 Kshs	2022-2023 Kshs	2022-2023 %
<b>Revenue</b>						
Capitation grant	20,593,825	(11,107,325)	9,486,500	9,033,000	(453,500)	4.78%
Public contributions and donations	-	-	-	20,963,882	20,963,882	0%
Rendering of training services	23,736,895	4,015,002	27,751,897	26,899,830	(852,067)	3.07%
Production unit& Exams	1,083,000	(554,600)	528,400	533,000	4,600	0.87%
<b>Total income</b>	<b>45,413,720</b>		<b>37,766,797</b>	<b>57,429,712</b>	<b>19,662,915</b>	<b>52.06%</b>
<b>Expenses</b>						
Rendering of training services	26,806,883	(2,065,802)	24,741,081	24,930,458	(189,377)	0.77%
Employee costs	10,391,904	(2,215,434)	8,176,470	7,995,776	180,694	2.21%
B.O.G Allowances	1,580,000	1,220,000	2,800,000	2,770,623	29,377	1.05%
R.M.I	1,258,773	-	1,258,773	796,035	462,738	36.76%
Contracted services	1,648,000	(143,850)	1,504,150	1,492,208	11,942	0.79%
Depreciation on PPE	2,913,200	1,317,983	4,231,183	4,256,915	(25,732)	0.61%
Production unit	1,083,000	(554,600)	528,400	419,800	108,600	20.55%
<b>Total expenditure</b>	<b>45,681,760</b>		<b>43,240,057</b>	<b>42,661,815</b>	<b>578,242</b>	<b>1.34%</b>
<b>Deficit/Surplus for the period</b>			<b>(5,473,260)</b>	<b>14,767,897</b>	<b>9,294,637</b>	

**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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1. That the report is based on the final budget estimates and not the original budget as a supplementary budget was prepared before the end of the said financial year to adjust the budget according to the available resources as shown in the statement of comparison of budget and actual amounts.
2. That the major deviation leading to budget review was caused by the failure to receive the capitation grant as projected during the original budget preparation. According to the number of students validated by KUCCPS for capitation funding, the college earned a total of kshs.29,400,000.00 but received kshs.9,033,000.00. This was a negative deviation of kshs.20,367,000.00 that would have facilitated the general college activities. This was a down word trend from kshs.16,882,500.00 received in 2021/2022FY despite the increase in the number of students. This constituted a decline of 53.5% from the previous capitation disbursement.
3. The 36.76% deviation in comparison of budget and actual amounts shown on page 5 Of the financial statements and reports, is as a result of reduced expenditure to aid the college in saving money for training and development.
4. The production unit vote head had 20.55% lower of the expenditure as its expected to make more savings to finance the college activities.

**19) NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

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

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

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

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

The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act 2015, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of New and Revised Standards**

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

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 41:</b> Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>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.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• 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.</li> </ul> <p><i>This revision of the standard did not have effect on the financial assets of the Ugenya Technical and Vocational College.</i></p>
<b>IPSAS 42:</b> Social	<b>Applicable: 1<sup>st</sup> January 2023</b>

**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

<b>Standard</b>	<b>Effective date and impact:</b>
Benefits	<p>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:</p> <p>(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.</p> <p><i>No impact by this standard as the corporate services offered by the college to the community do not require additional cash out flow and or inflow.</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.            b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.            c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.            d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>Not relevant to Ugenya Technical and Vocational College as the college has been reporting on accrual basis.</i></p>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <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).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement.</b> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul> <p><i>Not relevant to the College.</i></p>

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b></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</p>

<b>Standard</b>	<b>Effective date and impact:</b>
	the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>No impact on our institution</i>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>No impact on our College</i>

**iii. Early adoption of standards**

Ugenya Technical and Vocational College did not early-adopt any new or amended standards in year 2022/2023

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**b) Budget information**

The original budget for FY 2022/2023 was approved by the Board on 03/06/2022 while the final Budget was approved by the Board on 09/06/2023. There were other additional appropriations added to the original budget by the College in order to conclude the final budget.

The College's budget is prepared on the same 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 as well as the budget is prepared on accrual basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, was then presented in the statement of comparison of budget and actual amounts.

## **Taxes**

### **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.

### **Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of years.

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

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

### **Property, plant and equipment**

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

### **Depreciation of Fixed Assets**

It is the policy of Ugenya Technical and Vocational College to depreciate its Property, Plant and Equipment over its useful life by considering the following:

- i) If an item of property, plant and equipment is revalued, the entire class of PPE to which that asset belong shall be revalued.
- ii) The depreciation charge for each period shall be recognized in surplus or deficit unless it is included in the carrying amount of another asset.
- iii) The depreciation method chosen shall reflect the pattern in which the asset's future economic benefits of service potential are expected to be consumed by the college.
- iv) An impairment loss of a cash generating asset-is the amount by which the carrying amount of an asset exceeds its recoverable amount.

**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

- v) The depreciation method applied to an asset shall be reviewed every year when the financial statements are being prepared subject to changes in the status of the asset.
- vi) The assets of UTVC shall be depreciated annually on a straight-line basis and where this method is not applicable, the revaluation method shall be adopted.
- vii) Depreciation rates as per I.T Act for most commonly used assets of the college shall be as follows;

No.	Asset Class	Asset Type	Rate of Depreciation
1	Building	Offices/Classes/Lecture Rooms/workshops/toilets/power house	5%
2	Building	Purely temporary erections such as wooden structures	40%
3	Furniture	Furniture – Any furniture / fittings including electrical fittings and air conditioners	10%
4	Plant & Machinery	Motor Vehicles, Farm equipment	15%
5	Plant & Machinery	Computers, Laptops, computer software, Printer, Scanner, UPS and other peripheral devices	40%
6	Plant & Machinery	Books and other stationaries	40%
7	Cutleries Equipment	Plates, cups, sufuria, glasses, spoons	36%

**Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the College. 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 College also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

**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

### **Research and development costs**

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

The technical feasibility of completing the asset so that the asset will be available for use or sale.

Its intention to complete and its ability to use or sell the asset

How the asset will generate future economic benefits or service potential

The availability of resources to complete the asset

The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

### **Financial Instruments**

#### **Financial assets**

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 college does not have any hedge relationships and therefore **the new hedge accounting rules have no impact on the college'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.

#### ***Classification***

The college 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 college'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 college 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.

**Loans and receivables**

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

**Held-to-maturity**

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

**Impairment of financial assets**

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

The debtors or a entity of debtors are experiencing significant financial difficulty

Default or delinquency in interest or principal payments

The probability that debtors will enter bankruptcy or other financial reorganization

Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults

### **Financial liabilities**

#### **Loans and borrowing**

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

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

#### **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.

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

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

#### **Provisions**

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

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

#### **Contingent liabilities**

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

#### **Contingent assets**

The college 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 college 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.

**Nature and purpose of reserves**

The college has created and maintained reserves in terms of specific requirements.

**Changes in accounting policies and estimates**

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

**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.

**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.

**Related parties**

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

**Service concession arrangements**

The college 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 college recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the college also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

### **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.

### **Comparative figures**

During the preparation of the financial statements for the Year ended 30<sup>th</sup> June, 2023 there was no change in comparison of figures in-respect of the past financial statements.

### **Subsequent events**

There have been no events subsequent to the end of the quarter with a significant impact on the financial statements for the quarter ended June 30<sup>th</sup> 2023.

## **5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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

### **Estimates and assumptions**

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

#### **Useful lives and residual values**

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

The condition of the asset based on the assessment of experts employed by the college.

The nature of the asset, its susceptibility and adaptability to changes in technology and processes

The nature of the processes in which the asset is deployed

Availability of funding to replace the asset

Changes in the market in relation to the asset

#### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 16.

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.

**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 college 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 college 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 college recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *note number 19*.

**e) 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 college 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.

**Events after the Reporting Period**

There were material adjusting and non- adjusting events after the reporting period. This was caused by the valuation of the college plant and equipment that was carried out by the ministry of transport, the mechanical department, siaya county office.

**Ultimate and Holding Entity**

The college is under the State department for Technical, Vocational, Education and Training under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**Currency**

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

**6. CAPITATION GRANT**

Details	2022-2023	2021-2022
	Kshs	Kshs
<b>Unconditional grants</b>		
Ministry of Education - Capitation Grant	9,033,000.00	16,882,500.00
<b>Total government grants</b>	<b>9,033,000.00</b>	<b>16,882,500.00</b>

#### 7. FEES FROM STUDENTS

Details	2022-2023	2021-2022
	Kshs	Kshs
Tuition/S.E.S. and other related charges Actual Receipts	20,055,426.00	10,608,257.00
Tuition/S.E.S. and other related charges Receivables	6,844,404.00	7,660,723.00
<b>Total</b>	<b>26,899,830.00</b>	<b>18,268,980.00</b>

The table above shows the receipts during the year based on the accrued basis of Accounting for AIA.

#### 8. OTHER INCOME

Details	2022-2023	2021-2022
	Kshs	Kshs
Tractor services	520,000.00	43,800.00
Farm Produce	13,000.00	
<b>Total Revenue From service provision</b>	<b>533,000.00</b>	<b>43,800.00</b>

#### 9. USE OF GOODS AND SERVICES

Details	2022-2023	2021-2022
	Kshs	Kshs
Training Materials and other related costs	6,579,369.00	4,721,198.00
Local Transport & Travel	3,522,959.00	1,689,000.00
Utilities (Electricity, Water and Conservancy)	446,531.00	552,347.00
Administrative Expenses	7,517,229.00	7,283,954.00
Activity (sports and recreational activities)	2,244,110.00	877,800.00
Students Organization	340,430.00	266,900.00
KNEC Examination	4,279,830.00	5,017,535.00
<b>Total</b>	<b>24,930,458.00</b>	<b>20,408,734.00</b>

#### 10. EMPLOYEE COSTS

Details	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	7,178,393.00	6,845,486.00
Employee related costs and contributions	817,383.00	485,090.00
<b>Total</b>	<b>7,995,776.00</b>	<b>7,330,576.00</b>

#### 11. BOARD OF GOVERNORS COSTS

Details	2022-2023	2021-2022
	Kshs	Kshs
Sitting Allowance	1,780,900.00	450,000.00
Transport Allowance	538,000.00	102,000.00
Tax Charged	451,723.00	190,290.00
<b>Total</b>	<b>2,770,623.00</b>	<b>742,290.00</b>

**12. REPAIRS, MAINTENANCE & IMPROVEMENTS**

Details	2022-2023	2021-2022
	Kshs	Kshs
Cleaning Materials	158,314.00	230,300.00
Building Materials	533,381.00	1,230,867.00
Electrical Materials	64,040.00	117,790.00
Plumbing Materials	40,300.00	70,430.00
<b>Total Repairs and Maintenance</b>	<b>796,035.00</b>	<b>1,649,387.00</b>

**13. CONTRACTED SERVICES**

Details	2022-2023	2021-2022
	Kshs	Kshs
Security Guards	615,600.00	572,000.00
Internet services	461,128.00	0
Sanitary bins	15,480.00	0
Consultancy services	400,000.00	0
<b>Total contracted services</b>	<b>1,492,208.00</b>	<b>572,000.00</b>

**14. PRODUCTION UNIT**

Details	2022-2023	2021-2022
	Kshs	Kshs
Tractor services	345,350.00	78,250.00
Farm produce	74,450.00	
<b>Total Revenue From service provision</b>	<b>419,800.00</b>	<b>78,250.00</b>

**15. CASH AND CASH EQUIVALENTS**

Details	2022-2023	2021-2022
	Kshs	Kshs
Current account	7,047,401.00	14,971,763.00
Cash at Hand	14,555.00	42,100.00
<b>Total Cash and Cash Equivalents</b>	<b>7,061,956.00</b>	<b>15,013,863.00</b>

**16. DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS**

Details		2022-2023	2021-2022
Financial institution	Account number	Kshs	Kshs
<b>a) Current account</b>			
Kenya Commercial bank	1238447694	7,047,401.00	14,971,763.00
<b>Sub- total</b>		<b>7,047,401.00</b>	<b>14,971,763.00</b>
<b>b) Others</b>			
cash in hand		14,555.00	42,100.00
<b>Sub- total</b>		<b>14,555.00</b>	<b>42,100.00</b>
<b>Grand Total</b>		<b>7,061,956.00</b>	<b>15,013,863.00</b>

**17. A. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

Details	2022-2023	2021-2022
	Kshs	Kshs
Student Debtors (Fees Arrear)	6,844,404.00	7,660,723.00
Aging Debts (Fees arrears)	235,830.00	0
<b>Total current receivables</b>	<b>7,080,234.00</b>	<b>7,660,723.00</b>

**B. AGEING ANALYSIS OF RECEIVABLES FROM EXCHANGE TRANSACTIONS**

Description	2022/2023 FY		2021/2022 FY	
	Kshs		Kshs	
Less than 1 year	6,844,404.00	96.67%	5,890,300.00	76.89%
Between 1- 2 years	120,600.00	1.7%	1,002,320.00	13.08%
Between 2-3 years	69,070.00	0.98%	677,140.00	8.84%
Over 3 years	46,160.00	0.65%	90,963.00	1.2%
<b>Total</b>	<b>7,080,234.00</b>	<b>100%</b>	<b>7,660,723.00</b>	<b>100%</b>

**18. INVENTORIES**

Details	2022-2023	2021-2022
	Kshs	Kshs
Stationeries	151,354.00	71,220.00
Practical materials (Training)	51,189.00	180,072.00
Repair Maintenance and Improvements	165,750.00	20,490.00
<b>Total inventories</b>	<b>368,293.00</b>	<b>271,782.00</b>

**19. PROPERTY, PLANT AND EQUIPMENT  
SCHEDULE OF FIXED ASSET**

Description	Land	Motor Vehicle	Buildings	Plant & Equipment	Catering Eqt & Cutlery	Computers	Furniture & Fittings	Total
<b>Cost</b>								
At 1 July 2021	1,920,000	0	53,773,964	1,918,443	89,197	683,500	2,099,399	60,484,503
Additions	0	0	651,980	1,638,304	0	71,900	110,000.00	2,472,184
Transfers	0	0	0	0	0	0	0	0
<b>At 30 June 2022</b>	<b>1,920,000</b>	<b>0</b>	<b>54,425,944</b>	<b>3,556,747</b>	<b>89,197</b>	<b>755,400</b>	<b>2,209,399</b>	<b>62,956,687</b>
Donations	0	7,198,400	0	13,245,482	0	0	0	20,443,882
Additions	0	0	0	520,000	55,200	414,800	1,180,000	2,170,000
Transfers	0	0	0	0	0	0	0	0
<b>At 30 June 2023</b>	<b>1,920,000</b>	<b>7,198,400</b>	<b>54,425,944</b>	<b>17,322,229</b>	<b>144,397</b>	<b>1,170,200</b>	<b>3,389,399</b>	<b>85,570,569</b>
<b>Accumulated Depreciation</b>								
At 1 July 2021	0	0	4,644,452	554,890	18,317	71,680	812,170	6,101,509
Depreciation	0	0	2,688,678	584,544	8,920	68,350	209,940	3,560,432
<b>At 30 June 2022</b>	<b>0</b>	<b>0</b>	<b>7,333,130</b>	<b>1,139,434</b>	<b>27,237</b>	<b>140,030</b>	<b>1,022,110</b>	<b>9,661,941</b>
Depreciation	0	0	2,721,297	675,950	52,648	468,080	338,940	4,256,915
<b>At 30 June 2023</b>	<b>0</b>	<b>0</b>	<b>10,054,427</b>	<b>1,815,384</b>	<b>79,885</b>	<b>608,110</b>	<b>1,361,050</b>	<b>13,918,856</b>

**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

Net Book Values								
Net Book Value At 30 June 2022	1,920,000		47,092,814	2,417,313	61,960	615,370	1,187,289	53,294,746
Net Book Value At 30 June 2023	1,920,000	7,198,400	44,371,517	15,506,845	64,512	562,090	2,028,349	71,651,713

**20. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Details	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors	0	0
P. Emoluments	0	0
Contracted Services	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**21. PAYMENTS RECEIVED IN ADVANCE/REFUNDABLE DEPOSITS FROM STUDENTS**

Details	2022-2023	2021-2022
	Kshs	Kshs
Prepaid Fees	2,688,164.00	7,534,979.00
<b>Total</b>	<b>2,688,164.00</b>	<b>7,534,979.00</b>

**22. USE OF GOODS AND SERVICES – CASH INFLOW**

Details	2022-2023	2021-2022
	Kshs	Kshs
Tuition/S.E.S.& other related charges Actual Receipts	20,788,327.00	17,841,652.00
Aging Fees Arrears received	3,810,243.00	1,041,547.00
Payments received in advance	0	7,534,979.00
<b>Total</b>	<b>24,598,570.00</b>	<b>26,418,178.00</b>

**23. USE OF GOODS AND SERVICES – CASH OUT FLOW**

Details	2022-2023	2021-2022
	Kshs	Kshs
Training Materials and other related costs	7,674,378.00	5,459,498.00
Local Transport & Travel	3,522,959.00	1,689,000.00
Utilities (Electricity, Water and Conservancy)	597,249.00	653,047.00
Administrative Expenses	7,517,229.00	7,795,614.00
Activity (sports and recreational activities)	2,244,110.00	877,800.00
Students Organization	340,430.00	266,900.00
Industrial Attachment	244,000.00	0
KNEC Examination	4,279,830.00	5,017,535.00
<b>Total</b>	<b>26,420,185.00</b>	<b>21,759,394.00</b>

**24. EMPLOYEE COSTS – CASH OUT FLOW**

Details	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	7,178,393.00	6,845,486.00
Employee related costs and contributions	817,383.00	485,090.00
Salaries and other related charges cleared	45,850.00	542,784.00
<b>Total</b>	<b>8,041,626.00</b>	<b>7,873,360.00</b>

**25. REPAIRS, MAINTENANCE & IMPROVEMENTS – CASH OUT FLOW**

Details	2022-2023	2021-2022
	Kshs	Kshs
Cleaning Materials	158,314.00	230,300.00
Building Materials	533,381.00	1,352,070.00
Electrical Materials	64,040.00	117,790.00
Plumbing Materials	40,300.00	70,430.00
<b>Total Repairs and Maintenance</b>	<b>802,035.00</b>	<b>1,770,590.00</b>

**26. Public Contributions and Donations**

Details	2022-2023	2021-2022
	Kshs	Kshs
Donations from Ugenya NG-CDF	7,198,400.00	0
Donations from Government of Kenya	13,765,482.00	0
<b>Total Donations and Contributions</b>	<b>20,963,882.00</b>	<b>0</b>

**27. Contracted Services – Cash Out flow**

Description	2022/2023FY	2021/2022FY
	Kshs	Kshs
Security Guards	615,600.00	572,000.00
Internet Services	461,128.00	0
Sanitary bins	15,480.00	0
Consultancy Services	400,000.00	0
Arrears Cleared	0	44,000.00
<b>Total Contracted Services</b>	<b>1,492,208.00</b>	<b>616,000.00</b>

1. The donation indicated in the table above as received from Ugenya National Government Constituency Development Fund is in respect of a College Bus donated for students field trip training in the year 2022/2023FY.
2. The donations from the Government of Kenya represent Property, Plant and Equipment that was donated in the year 2018/2019 but had not been valued for accounting purposes. These items were valued on 14/08/2023


**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**20) 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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.	Lack of values and ownership documents for the property plant and equipment donated by the Ministry of Education	The College has attached values to the property, plant and equipment and is waiting for the Ministry of Education to Provide the ownership documents.	Partly resolved	30/06/2025
1.1	Lack of diversity of the people of Kenya in employment	The College management is committed to comply with the Article 27 of the Ethnicity Act even though; Kenyans from other regions have always declined the offers any time an opportunity arises.	Partly resolved	30/06/2025
1.2	Engagement of casual employees	The casual employees have been absorbed on permanent engagement by the Board of Governors	Resolved	-
2.	Error in presentation of Financial Statements and notes	The numbering has been revised accordingly in the Financial Statements and notes	Resolved	-
3.	Lack of Internal Audit Function	The College has engaged an internal Auditor	Resolved	-

The above table has been completed as per the audit report for the 2021/2022FY

  
**Ms. Linda Ayuku W.**  
**(Principal/BOG Secretary)**  
**Date 22/05/2025**



**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

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