

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE AUDITOR-GENERAL

ON

**KIGUMO TECHNICAL AND VOCATIONAL
COLLEGE**

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

Revised Template: 30th June 2023



KIGUMO TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



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

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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
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity
KTVC	Kigumo Technical and Vocational College

2. Key Entity Information and Management

(a) Background information

Kigumo Technical and vocational college (KTVC) was incorporated/ established under the TVET Act 2013. The entity is domiciled in Kenya and is located in Muthithi, Kigumo Sub-county in Murang'a County. It has no branches. The institute is under the Ministry of Education.

(b) Principal Activities

Kigumo Technical and vocational college is to provide Technical, Vocational and Entrepreneurship Training (TVET) using appropriate technology to empower trainees for individual and national development. The Institute provides leadership in designing suitable plans and strategies that contribute to high and sustainable socio-economic development; The Institute has a credible strategic plan and performance contract that delivers the desired goals. It is also our undertaking that we will perform our responsibilities diligently and to the best of our abilities to support the achievement of the agreed performance targets.

Vision

To be a leading centre of excellence in technical and vocational training

Mission

To provide quality technical and vocational training for individual growth and empowerment.

(c) Key Management

The College day-to-day management is under the following key organs:

- Board of Governors/ Management.
- Accounting officer/ Principal
- Head of Departments

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(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

TOP MANAGEMENT		
SN.	Designation	Name
1	Principal –Michuki TTI- Mentor	Anne M.Mbogo
2	Principal –Kigumo TVC	Jeniffer W. Gachago
3	Deputy Principal –Kigumo TVC	Daniel Muhia
4	Finance Officer-Michuki TTI	CPA.Odima Bahati
ACADEMIC MANAGEMENT		
SN.	Designation	Name
1	H O D Electrical	Linus Mito
2	H O D I C T	Mary Chege
3	H O D Mechanical	Francis Ndengwa
4	H O D Building	Irene Kabungo
5	H O D Institutional Management	Sabina Waithera
NON-ACADEMIC		
SN.	Designation	Name
1	Sports Officer	Francis Ndengwa

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Name of the Committee	Members	Activities
Finance and Resource Mobilization	1. Mrs. Lydia Miano 2. Mr. Nelson Mwaura 3. Mr. Joseph N. Mwangi	<ul style="list-style-type: none"> ▪ Approve quarterly reports for onward submission to the full board ▪ Interview BOG employees
Academics and Techn.	1. Dr George Okoth 2. Mrs Lorna Wambayi 3. Mr Charles Nyota	<ul style="list-style-type: none"> ▪ Receive, discuss and approve matters pertaining academics in the institution.
Risk and Audit	1. Mr. Kiptum Kibet Charles 2. Mrs. Lorna Wambayi 3. Dr. George Okoth	Receive discuss and approve audit report for onward ratification by full board Develop areas of improvement in risk and audit

Key Entity Information and Management (Continued)

(f) Entity Headquarters

P.O. Box 5-10203 Kigumo
Muranga County
Kigumo Sub County

(g) Entity Contacts

Telephone :(+254)0769394273
E-mail: kigumotvc@gmail.com/ info@kigumotvc.ac.ke
Website: www.kigumotvc.ac.ke

(h) Entity Bankers

Kenya Commercial Bank Ltd
Muranga Branch
P.O BOX 112-10200
Muranga Town




(i) Independent Auditors




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

(j) Principal Legal Adviser



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

3.The Board of Governors



SN.	Member	Details
1.	<p>Board of governor (chairman)</p>  <p>Mr. Benson N. Kamau Profession: Finance and Strategy Management</p>	<p>Date of birth: 19/12/1966</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> ▪ MBA- Finance, University of Nairobi ▪ BSC. First Class Honours, University of Nairobi ▪ Advanced Management Program, Strathmore University ▪ Chartered Accountant, United Kingdom <p>Work experience:</p> <ul style="list-style-type: none"> ▪ Audit Trainee to Supervisor Ernst & Young,UK at Kenya. ▪ Audit Manager- Lonrho Hotels Africa ▪ Financial Controller- Lonrho Motors ▪ Commercial Controller, Kenya Airways ▪ General Manager Finance & Strategy - Postal Corporation. ▪ Finance and Strategy - Director KTDA Holdings LTD
2.	<p>Board member</p>  <p>Mrs. Lydia Miano Profession:Economics</p>	<p>Date of birth:18/08/1965</p> <p>Academic qualifications</p> <ul style="list-style-type: none"> ▪ Bachelor in Arts –Economic ▪ Certificate in Law-Baking ▪ Certificate in Loan appraisal and Credit Rating <p>Work experience:</p> <ul style="list-style-type: none"> ▪ Branch Manager –I & M Bank LTD ▪ Credit Manager-Trust Bank LTD ▪ HR Officer-Trust Bank LTD ▪ Audit Assistant – Officer of controller and Auditor General
3.	<p>Board member</p>  <p><u>Dr. Charles Kiptum</u> Profession: Profession: Lecturer</p>	<p>Date of birth:12/12/1965</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> ▪ Academic qualifications ▪ PHD Administration &Management ▪ MED Administration &Management ▪ BED ▪ Diploma (KEMI) <p>Work experience:</p> <ul style="list-style-type: none"> ▪ Lecturer Chuka University ▪ Principal – Kisanana Boys, Sosiyo Sec School, Baringo High ▪ Part time lecturer Kisii University and Mt.Kenya University



<p>4.</p>	<p>Board member</p>  <p><u>Dr. Okoth George Odhiambo</u> Profession: ICT Informatics</p>	<p>Date of birth:03/03/1980</p> <p>Academic Qu/alfications:</p> <ul style="list-style-type: none"> ▪ PHD (GIS & Remote Sensing) ▪ MSC (Health Informatics) ▪ BSC (Information Technology) ▪ Higher Diploma (Education) <p>Work experience:</p> <ul style="list-style-type: none"> ▪ Head of ICT department –Kenya Railways Corporation ▪ Senior Lecturer –Laikipia University ▪ Lecturer Gretsia University ▪ QMS Auditor-Kenya Railways Corporation <p>Risk Officer - Kenya Railways Corporation</p>
<p>5.</p>	<p>Board member</p>  <p><u>Mr Joseph N.Mwangi</u> Profession: Lecturer (Adjunct) and ICT consultant</p>	<p>Date of birth: 06/08/1980</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> ▪ Msc. -Master in Computer Science ▪ Bsc -Computer Systems. ▪ Diploma in Computer Science CCNA and A+ <p>Work experience:</p> <ul style="list-style-type: none"> ▪ Adjunct Lecturer at MMU <p>ICT consultant at Technical University of Kenya</p>
<p>6.</p>	<p>Board member</p>  <p><u>Arc. Nelson Mwaura</u> Profession:</p>	<p>Date of birth:09/12/1979</p> <p>Academic qualifications</p> <ul style="list-style-type: none"> ▪ Bachelor of Architecture (Hons), JKUAT ▪ Postgraduate Diploma- Project Planning and Management ▪ Certificate in Green Building –Kenya Association of Manufactures ▪ Certificate in Hospital Design-Pharm Access Fnd,2019 <p>Work experience:</p> <ul style="list-style-type: none"> ▪ Operation Manager -GIBB Africa LTD ▪ Load line Engineering Services, -Nairobi ▪ JKUAT- Tutorial Fellow Level ▪ Architect –Axis Architects LTD ▪ Architect -Maestro Architects LTD




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7.	<p>Board member</p>  <p><u>Lorna Wabayi</u> Profession:</p>	<p>Date of birth:02/10/1988</p> <p>Academic qualifications</p> <ul style="list-style-type: none"> ▪ Masters- Business Administration (Strategic Management and Marketing)-Kabarak University ▪ Bachelor of Commerce (Marketing)-JKUAT ▪ State House Girls-KCSE <p>Work experience:</p> <ul style="list-style-type: none"> ▪ Smart code Technologies -Head of Customer Service ▪ Tracom College –Finance and Administration ▪ MICAS Limited -Sales and Marketing Manag ▪ Part Time Lecturer-JKUAT ▪ Safaricom Retail Centre- Moi Avenue
8.	<p>Board member (CDTVET)</p>  <p><u>MR. Charles Nyota</u> Profession: CDTVET</p>	<p>Date of birth:10/10/1970</p> <p>Academic Qualifications: Masters in computer Science</p> <p>Work experience: Quality Assurance office for 20years</p>

4. Key Management Team

SN.	Member	Details
1.	<p>Chief Principal/ BOG Secretary-Mentor Principal-Michuki TTI</p>  <p><u>ANNE M. MBOGO</u> Profession: Trainer</p>	<p>Date of birth: 10/10/1972</p> <p>Qualifications:</p> <ul style="list-style-type: none"> ▪ BEd. Home Science and Technology ▪ Post Graduate Diploma in Education Management ▪ Certificate in Senior Management ▪ Certificate in Strategic Leadership Development Program ▪ Certificate in Performance Contracting and Appraisal <p>Work experience:</p> <ul style="list-style-type: none"> ▪ Chief Principal – Kenya Coast National Polytechnic ▪ Principal – Kiirua TTI ▪ Principal – Chuka TTI ▪ Deputy Principal - Mukiria TTI ▪ Deputy Principal Jeremiah Nyaga TTI <p>25 years of experience as a TVET Trainer</p>
2.	<p>1. Principal –Kigumo TVC</p>  <p><u>Jeniffer Wambui Gachago</u> Profession: English Literature</p>	<p>Date of Birth: 4/10/1967</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> • Master’s in Education Planning and Administration -Currently • BED Arts <p>Work Experience:</p> <ul style="list-style-type: none"> • Principal – Kigumo Technical and Vocational College • Deputy Principal – Kajiado TVC • Subject Head Teacher – Machakos TTC • HOD – Utumishi Academy

<p>3.</p>	<p>Deputy Principal</p>  <p><u>Daniel Njoroge Muhia</u> Profession: Electrical and Electronics Engineer</p>	<p>Date of Birth: 4/12/1972</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> ▪ Degree in Electrical and Electronics Engineering (power option) ▪ Diploma in Technical Education <p>Work Experience:</p> <ul style="list-style-type: none"> ▪ HOD Electrical and Electronics – Michuki TTI ▪ Deputy Principal
<p>4.</p>	<p>Deputy Principal Academics</p>  <p><u>Grace Njuguna</u> Profession: Trainer</p>	<p>Date of birth: 21/08/1976</p> <p>Academic Qualifications:</p> <ul style="list-style-type: none"> ▪ BED -Home science and Technology-Moi University. ▪ Certificate in Senior Management – KSG <p>Work experience</p> <ul style="list-style-type: none"> ▪ PSC Trainer –Michuki TTI ▪ HOD –I.M department, Michuki TTI ▪ HOD –Nkabune TTI ▪ Examination officer –Nkabune TTI

5.	<p>Dean of Students</p>  <p><u>Samuel Kahari Gichuki</u> Profession-Trainer</p>	<p>Date of birth: 27/06/1976 Academic qualifications: BTech-Computer Technology BBIT- Business Information Technology Diploma in Technical Education (Computing) Work experience</p> <ul style="list-style-type: none"> ▪ Trainer Michuki TTI ▪ Instructor-Limuru Institute of I.T. <p>Instructor-Wantech Computer College</p>
6.	<p>Registrar</p>  <p><u>Paul Ngure</u> Profession-Trainer</p>	<p>Date of birth: 27/01/1988 Academic qualifications:</p> <ul style="list-style-type: none"> ▪ Bsc-Electrical & Electronics Engineering ▪ Bsc. -Telecommunication & Information Engineering ▪ Post Graduate –Diploma in Education <p>Work experience</p> <ul style="list-style-type: none"> ▪ PSC Trainer Michuki TTI ▪ BOM Teacher-Nyagatugu Boys Sec.School. ▪ Intern-Kenya Power. <p>Intern-KTDA(Kanyenya-ini Tea Factory)</p>
7.	<p>Finance Officer</p>  <p><u>CPA. Odima Bahati</u></p> <ul style="list-style-type: none"> • Profession: Finance & Analyst, Trainer 	<p>Date of birth: 31/07/1992 Academic qualifications:</p> <ul style="list-style-type: none"> ▪ BCOM – Accounting Option ▪ CPA(K) – Accounting Option ▪ CIFA(K)-Finance & Investment Analysis ▪ Diploma in Technical Education-Accounting Option <p>Work experience</p> <ul style="list-style-type: none"> ▪ Financial Accountant –Trailink Group Ltd ▪ Senior Accountant-Compassion International ▪ Accountant-Excel Works and Engineering. ▪ Auditor-Ayuga and Associate CPA firm ▪ Trainer at Kabete National Polytechnic

5. Chairman's Statement

On behalf of the BOG, management, staff and students of Kigumo TVC I would like to thank the government through the Cabinet Secretary Ministry of Education for giving me the opportunity to serve in this great institution.

In the financial year 2022/2023 the board achieved the following:-

1. Constructed main gate in partnership with Kigumo NGCDF
2. Acquired various sports items for the both athletics and ball games
3. Acquired sewing machines for the training in the institution management (I.M) department at a
4. Acquired a modern printer for printing and photocopying of the institution documents at total
5. Acquired 400 lecture for the students
6. Organised in partner with NGCDF where 100 boda boda operator were trained on road safety

The board envisages continuing growing the institute and loos ahead to:

1. Construct mechanical and building workshop
2. Construct tuition block
3. Construct water reservoirs
4. Install CCTV cameras for additional security
5. Increase acreage of the college
6. Carry out a tracer study on our graduates
7. Increase student enrolment to 800 students

The challenges experienced by the Institution

- i. The institute did not received machines from the government for their initial operationalise as it is with the new colleges hence is forced to purchase the small tools and equipment's it can afford.
- ii. Some of the resource mobilization initiative has not initiated and this resulted in shortfall of our A.I.A.
- iii. Being institution is new and small and competing with the stable Tertiary institution it has affected student enrolment.

Whereas the institute made significant strides during the year especially on the student enrolment through NGCDF this need to be spearheaded ahead so as to enable the local afford education as well make the institution to be in a stable state in long run. The board wishes to thank all the stakeholders for their support and humbly request that this continues into the future.

Signed by



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Mr. Benson N. Kamau

BOG Chairperson

6. Report of the Chief Principal

Kigumo Technical and vocational college is a tertiary institution that is located in a serene conducive environment to offer quality and relevant training to her graduates. The courses are tailored to ensure we channel out competent labour force to ensure they contribute effectively to the attainment of the country's Vision 2030 strategic objectives. In furtherance of our mandate, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs so as to remain competitive in terms of quality and relevance, and address the needs of the society.

Under the guidance of the Board of Governors, we aim to set up structures and policies aimed at guiding the institution in the right strategic direction mainly the implementation of integrated management systems based on ISO 9001:2015 (QMS)) and performance contracting in partnership with the government. Under my leadership and the overall direction of the Institute's Board, we were able to ensure that financial resources were utilized efficiently and effectively for optimum result. Despite the many challenges brought about by economic constraints, the Institute nevertheless continued to discharge its mandate of training, research and outreach programmes.

The institution had a student population of 404 in its first year since it was open early under the year of reporting. Furth more, the institute have 9 teaching staff and 4 non- teaching.

The challenges experienced by the Institution

- iv. 3rd and 4th quarter capitation were not received and this affected the institution operations more so the intended projects for the institution expansion.
- v. A grant that is capped at sh 500,000 is inadequate more so considering the hike in prices of the good and services in the economy.
- vi. Some of the resource mobilization initiative has not initiated and this resulted in shortfall of our A.I.A.
- vii. Being institution is new and small and competing with the stable Tertiary institution it has affected student enrolment in the institute.

Risk Management

The institution has put in place a robust risk management strategy. This involves a quarterly review of the risks the institution faces and developing mechanisms to mitigate them. In addition, the institution has ensured a strict adherence to statutory requirements.

Future Development

- i) To implement performance contracting in conjunction with the ministry of education
- ii) Emphasis on the Green Environment Concept so as to incorporate environmental sustainability and efficiency. In addition, there will be greater effort in building the capacity of its human resource so as to achieve a sustainable future through training, research, innovation and community outreach.
- iii) Development of new facilities and infrastructure as well equipping them as this will enable conducive serene environment for training, research and staff development.
- iv) Enhancing ICT infrastructure to support online job creations for our graduates.

Highlights of FY 2022/2023 performance

The Financial Year 2022/2023 started when the country was undergoing recovery of a tough time of battling the COVID-19 pandemic as well as exponential rise in the cost of living.

The government has been very supportive to the TVET institutions. This was done by introducing a fee of Ksh. 56,420/= for all students in technical institutions.

Of this, the government pays capitation of Ksh. 30,000/= p.a. to all new and continuing students in Technical Training Institutions. That leaves the students with a balance of Ksh. 26,420/= to pay, of which the needy cases may apply for loans and bursaries through HELB. Furthermore, Kigumo CDF was able to disburse a cheque for sh 8,000,000 for the first cohort of the students and this encourage students to enrol more for the technical training.

Projects Undertaken

During the Financial Year under review: -

- ❖ Construction of main gate entrance
- ❖ Furnishing of the institution offices
- ❖ Continued equipping of the institution workshops.

I believe that our graduates undergo the best training that equips them with the necessary skills that strategically aligns them with opportunities within the country, regionally and globally; while at the same time contributing to the realization of the bottom up economy agenda. That is (Agriculture, Micro, Small and Medium Enterprise (MSME), Housing and Settlement, Healthcare and Digital Superhighway and Creative Economy).

Kigumo Technical and vocational college being a Tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition

On behalf of the Institute Board of Governor and the top management, I take this opportunity to thank the Government for its unequivocal support during the year under review. I also appreciate the financial, material and moral support of stakeholders, collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the Management team, all staff and our trainees that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

Signed by



.....
Mrs. Anne M. Mbogo

Chief Principal/BOG Sec

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.

Kigumo Technical has 6 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2022-2023. These strategic pillars are as follows:

Pillar/ theme/issue 1:

Pillar/ theme/ issue 2:

Kigumo Technical and vocational College develops its annual work plans based on the above *viii* pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Kigumo TVC achieved its performance targets set for the FY 2022/23 period for its 6 strategic pillars, as indicated in the diagram below:

Pillar no	Strategic issues	Strategic Objective	Key Performance Indicators	Activities	Achievements
1:	Access and equity	to enhance access and equity to quality TVET training	-Improve and expand training facilities -Sensitize trainees on alternative sources of financial support -Enhance career guidance and counselling services -Introduce short market-driven courses	-Develop a plan for construction and maintenance of physical infrastructure -Hold Sensitization forums -Identify and offer short market driven courses	-Infrastructure constructed /maintained -Number of trainees benefited from alternative sources of funding -Number of short courses identified and included in training program
2:	Diversified training programs	Increase student Enrollment	-Determine the market training needs -Assess training programmes the strengths and weaknesses of current -Registration of all C-BET Courses by TVETA and TVET-CDACC -Advertise in Print and electronic media and other forums -Promote and upgrade Institute's website Erect and update Bill Boards	- Market survey Report on training needs - Review reports - All C-BET courses registered and approved by TVETA and TVET C-DACC	Increased Enrolment
3:	Institutional corporate governance/ management	Establish/review institutional policies, strategies and programs that are responsive to effective governance and management of TVET.	Reviewed institutional policies, strategies and programs	Quality Policy, Service Charter, Organization structure, HIV/Aids, Drug and substance Abuse, Safety measures, Gender mainstreaming,	Reviewed institutional policies, strategies and programmes.

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				Disability Mainstreaming Affirmation policies, Academic Policy, Students Council constitution	
4:	Adequate, competent and highly motivated staff	To enhance Human resource.	Determine manpower requirements.	Manpower requirements report	Manpower requirements determined
5:	Collaborations and linkages	To enhance collaborations and linkages	Develop and implement TVET exchange programmes	Exchange programmes developed and implemented	Number of exchange programs developed and implemented
6:	Infrastructure	To upgrade infrastructure.	Conduct an audit of the existing infrastructure and equipment and determine the gaps Develop a framework for improving and increasing physical facilities Renovate and rehabilitate workshops, Tuition rooms, offices, washrooms	Audit report Framework in place workshops, Tuition rooms, offices, washrooms renovated and rehabilitated	Infrastructure gaps identified Framework developed workshops, Tuition rooms, offices, washrooms renovated and rehabilitated

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8. Corporate Governance Statement

During FY 2022/2023, there was 66% eligible attendance at all meetings of the Board. The following table shows the number of meetings held during 2022/2023, the attendance of each Member;

Name	12 th July 2022	14 th Oct. 2022	25 th Nov 2022	30 th Dec 2022	8 th Feb. 2023	16 th March 2023	29 th May 2023	6 th June 2023	12 th June 2023	Total meetin gs
Mr Benson Kamau-Current BOG Chairperson	-	-	-	-	-	-	Present	Present	Present	3/3
Mrs Lydia Miano	-	-	-	-	-	-	Present	Present	Present	3/3
Nelson Mwaura	-	-	-	-	-	-	Present	Present	Present	3/3
Dr.KiptumKibet Charles (Member)	Present	Absent	Present	Present	Present	Present	Present	Present	Present	8/9
George Okoth(Member)	Present	Present	Present	Present	Present	Present	Present	Present	Present	9/9
Joseph N Mwangi (Member)	Present	Present	Present	Present	Present	Present	Present	Present	Present	9/9
James Muchuri	-	-	-	Present	Present	Absent	-	-	-	2/3
Charles Nyota(TVET Director)	Present	Present	Present	Present	Present	Present	Present	Present	Present	9/9
Silas Githenji Muguongo - Outgoing BOG Chairperson	Present	Present	Present	Present	Present	Present	-	-	-	6/6
Dr James O Gichana - Outgoing member	Present	Present	Present	Present	Present	Present	-	-	-	6/6
Eng. Wilson K Bett -Outgoing member	Absent	Present	Present	Present	Present	Absent	-	-	-	4/6

NOTE

- 1) There 9 full board meetings
- 2) Board charter exists at the moment.
- 3) Succession plan is after 3 years.
- 4) There was board succession in the month of May 2023

On Board of Governors appointment and tenure of office, removal, the process starts from: -

- 1) Establishing the expiry of the current Board of office (6 months before its term of office comes to an end.
- 2) Then a committee is constituted to nominate a new BOG. This panel is chaired by the County Director TVET. Other members to the nomination panel are: -

- (i) Principal
- (ii) County Commissioner to represent GOK.
- (iii) Sponsor incase the Institution is sponsor.
- (iv) The Area M.P or his Representative.

The above committee nominates a maximum of 21 members, 3 per category as prescribed in the areas of specialization and then the list is sent to the Ministry for verification and appointment of a BOG.

The BOG is normally appointed for a term of 3 years, after which to ensure continuity of the Institutional memory 1/3 of the past members are retained.

REMOVAL OF BOG MEMBER/MEMBERS

A Board member may be removed for the following reasons: -

- (1) Failing to attend 3 consecutive meetings without a valid reason.
- (2) Major conflict of Interest
- (3) By tendering his resignation to the appointing authority.
- (4) Failing to take up his position as an appointed BOG.
- (5) Being declared Bankrupt by a Court of law.

RULES AND FUNCTION OF BOARD OF GOVERNORS

The Board of Governors is normally appointed for a term of 3 years after which the Board expires. However, in constituting a new BOG a 1/3 of the members are retained for the sole purpose of Institution memory.

The role and function of the Board of Governors are therefore: -

- 1) Attend to all scheduled BOG meetings.
- 2) Discuss and formulate institutional policies on staff recruitment and promotion.
- 3) Identify in consultation with the Principal the recruitment of all PSC trainers and BOG employees and therefore recruit them.
- 4) Reprimand or recommend for interdiction of non-performing PSC & BOG Employees.
- 5) Formulate policies on revenue generation, utility and account for it to the Public through the Auditor General.
- 6) Link with all relevant ministries, agents and stakeholders to promote the importing of relevant and technological skills.
- 7) Link with industries for the purpose of attaching the students.
- 8) Maintaining proper inventory of its property and assets through a Register/inventory.
- 9) Performing supervision role or oversight role on the management of the Institution and advising appropriately.
- 10) Maintaining a motivated workforce as well as a secure environment to work in.

INDUCTION OF THE BOARD OF GOVERNORS

Once a BOG has been appointed, it's the responsibility of the Principal to liaise with the County Director and the Ministry to ensure that the BOG is inaugurated and inducted on its core mandate.

In conjunction with the Principal and the Ministry, the Board is supposed to be trained on the current trends in the training, Industry to make it relevant and vibrant.

BOARD OF GOVERNORS REMUNERATION

The Board of Governors is paid some sitting allowances and other allowances depending on the strength or financial ability of the Institution to sustain the payments. It's purely based on realistic and affordable rates.

The payments also vary from Institution to another base on their financial resources.

9. Management Discussion and Analysis

SECTION A

Kigumo Technical and vocational college operational and financial performance.

Kigumo Technical and vocational college reported a surplus of Ksh **3,576,274** as at 30TH June 2023. This reason being quarter four capitation was never received. The performance recorded is as a result of reduction of capitation and fully implementing budget so as not to interrupt the learning activities. The institute projects that its cash flows will improve further because the country is expected to experience exponential growth furthermore the institute expects to have an increase in the student enrolment in the subsequent intakes which will form a solid base of growth as well as initiating IGA programmes.

Pertaining to trends within the Education sector, University, Tertiary and secondary school are sponsor, guardians have been affected by the high cost of living and this affected students to enrol for Technical Education

The Institute has developed infrastructure and facilities and strives to improve so as to provide quality technical education. Moreover, the institute is implementing resource mobilization strategies' so as to enhance its A.I.A. During the year ended June 2023, the Institution had **376** students.

Kigumo TVC is experiencing tremendous growth and the management is vigorously pursuing additional funding and technical support from Government agencies and development partners. In the Institution level, program-based budgeting is effective as financial control. This serves to ensure that the Institution allocates resources based on planned and prioritized activity. This means that the cost of each activity will be traced to the product or service as per the Institution plan. To further enhance service delivery through effective financial management, the Institute will concentrate on eliminating wastages.

In this regard, the Institution will lobby and mobilize financial resources for Technical Training, innovation and creativity.

i. Government Funding

- ii.** During the financial year 2022-2023, the operations of the institution were done effectively although the third and fourth quarter were not received as at 30th June 2023.

iii. Student fees

Management aims to strengthen fees collection so to improve its revenue collection. Furthermore, institution was able to operate smoothly in its core mandate as well paying its supply on time as well as meeting its current obligation in time.

SECTION B

Compliance with Statutory Requirements

During the reporting period the Institute complied with all statutory deduction requirements. The Institute does not have non-compliance issues that may expose it to potential contingent liabilities. On the other hand, the institute has no litigation cases made against it.

SECTION C

Statutory and Financial Obligations

The institute does not have any financial obligation that might have a significant effect on its financial position

SECTION D

The Entity's Financial Probity and Serious Governance Issues

During the reporting period the institutes there were no cases of financial improbity reported. The management (mentor) members had cordial working relationship and no governance issues were raised.

MANAGEMENT DISCUSSION AND ANALYSIS(Continued)

GENERAL ADMINISTRATION RISKS

TOP MANAGEMENT

Risk No.	Name of The Risk	Likelihood	Consequences	Weight/Risk Level	Mitigation Control	Responsibility
1.	Funding risks	3	4	12	<ul style="list-style-type: none"> ➤ Enhance fees collection ➤ Income generating project ➤ HELB/NGCDF funding 	Principal, Dp Principal Finance Officer
2.	Loss of funds	4	4	16	<ul style="list-style-type: none"> ➤ Use of biometric ➤ Exam cards ➤ Class attendance register ➤ Use of approved budget 	Principal, FO HOD
3.	Political risk	3	4	12	<ul style="list-style-type: none"> ➤ Consultative meeting ➤ Recruitment on regional balance ➤ Engage them on projects 	Principal, FO, Dp Principal
4.	Reputational Risk	4	4	16	<ul style="list-style-type: none"> ➤ Quality Assurance (External results) ➤ Maintain of discipline ➤ Relationship with media ➤ 	Principal, HoDs, QA Internal Auditor
5.	Litigation Risk	3	4	12	<ul style="list-style-type: none"> ➤ Comply to regulatory and statutory rules ➤ Use of qualified personnel ➤ Use of established mechanism 	Principal, Finance Officer HoDs, Legal experts
6.	Data and information insecurity due to: malware, power failure and cyber attack	1	4	4	<ul style="list-style-type: none"> ➤ Acquire UPS ➤ Regular Backup of payroll & personnel information ➤ Use of password ➤ Firewall 	HR/SA
7.	Poor Workplace culture	4	3	12	<ul style="list-style-type: none"> ➤ Adherence of the HR policies ➤ Code of conduct ➤ Sensitization of work place culture and diversity 	Principal

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SECURITY						
OBJECTIVE: To ensure security of Kigumo Technical and Vocational College is maintained at all times.						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/Risk Level	Mitigation Control	Responsibility
8.	Theft of properties in the institute	4	4	16	<ul style="list-style-type: none"> ➤ CCTV surveillance ➤ Perimeter fence ➤ Hire and maintain security officers ➤ Where necessary put items under lock and key ➤ Burglar proof offices 	PRINCIPAL DP.Principal FINANCE OFFICER HODS
9.	Terrorists attack	3	5	15	<ul style="list-style-type: none"> ➤ Screening at the gate ➤ Security checks of persons and vehicles ➤ Use of biometric system ➤ Reporting of suspicious characters for interrogation 	PRINCIPAL DP.Principal HODS
10.	Business disruption	4	5	20	<ul style="list-style-type: none"> ➤ In case of covid 19, adhere to MOH protocols, closure of institution. In case of fire, we shall install firefighting equipment and firefighting practices and fire drills. ➤ In case of strike, we involve government security personnel, closure of school and create awareness of consequences. ➤ In case of an epidemic, we collaborate with MOH 	PRINCIPAL DP.Principal HODS
11.	Loss of Information security	4	4	16	<ul style="list-style-type: none"> ➤ Use clear screen and desk practice ➤ Use password on computers ➤ Use lockable cabinets ➤ Inculcate personal discipline 	PRINCIPAL DP.Principal HODS
12.	Over use of hired goods	3	2	6	<ul style="list-style-type: none"> ➤ Make a bidding contract with the customer on duration of use and stipulate measures to recover by surcharging. 	-PRINCIPAL -DP.Principal -FINANCE OFFICER

FINANCE DEPARTMENT:

OBJECTIVE: Ensure prudent management of institute's financial resources by 30th June 2023

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/Risk Level	Mitigation Control	Responsibility
13.	Delay in payment of supplies	2	2	4	<ul style="list-style-type: none"> -Segregation of duties -Ensure invoices are submitted 	Principal P.O

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					upon delivery of good	F.O
14.	Delay in payment of salary	2	2	4	-Ensure payment of salary is done before 3 RD of proceeding month	Principal F.O
15.	Delay in submission of statutory deduction	1	3	3	-Ensure payment of statutory deduction is done as stipulated	Principal F.O
16.	Uncollected revenue	3	3	9	-Lobby with government bodies -Use of exam cards -Use of biometric -New admission upon 100%fee payment	Principal F.O
17.	Intrusion into system	1	5	5	-Creation of user accounts -Use of password	Principal FO
18.	Lack of cohesion among students	3	3	9	➤ Sensitization of students on national cohesion ➤ Intensify sporting activities	Dean of students
19.	Chemical burns from cleaning agents	2	3	6	➤ Train on proper use and handling of chemicals ➤ proper labelling of chemicals	House keeper
20.	High cleaning staff turn over	3	3	9	➤ Provide good working tools and equipment ➤ Provide good personal protective equipment ➤ conducive /good staff welfare	House keeper HR
21.	Negative image (due to dirty floor and surfaces)	3	4	12	➤ Duty allocation- ➤ Develop a time plan for cleaners ➤ Have a check list for supervision	House keeper/Deputy principal Adm.

SPORTS AND RECREATION

Objective: To identify and nature talented students in sports and games.

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
22.	Loss of sports equipment	2	2	4	➤ Maintaining key registers ➤ Stores office under lock and key always ➤ Lockable boxes ➤ Issuance register ➤ Sensitization	-Sports officer -Principal
23.	Injuries during games	2	2	4	➤ Sensitization on safety during games	Principal Sports officer

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24.	Lack of playing fields	4	4	16	<ul style="list-style-type: none"> ➤ Request for alternative playground ➤ Hire playgrounds when need arise 	Principal Sports officer
25.	Incompetent coaches	4	4	16	<ul style="list-style-type: none"> ➤ Capacity building of coaches through training ➤ Expose the coaches in practical aspects 	Principal DP Principal
26.	In adequate sporting equipment	3	3	9	<ul style="list-style-type: none"> ➤ Budget for acquisition of sports equipment ➤ Seek for partnership and sponsorship from stakeholders 	Sports officer DP Principal

GUIDANCE AND COUNSELLING

OBJECTIVE: Provision of guidance and counseling services to students.

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/Risk Level	Mitigation Control	Responsibility
27.	Conflict of interest due to Dual relation	4	3	12	<ul style="list-style-type: none"> ➤ Segregation of duties ➤ Scheduled counseling forum ➤ Peer counselor's sensitization forum 	G&C Coordinator
28.	Inadequate G&C skills	2	2	4	<ul style="list-style-type: none"> ➤ Capacity building on trainers and peer counselors 	G&C coordinator
29.	Inadequate funding	3	3	9	<ul style="list-style-type: none"> ➤ Adequate budget 	Principal
30.	Unauthorized access to confidential information	1	4	4	<ul style="list-style-type: none"> ➤ Coding of clients ➤ Key management 	G&C Coordinator
31.	Inadequate funding	3	3	9	<ul style="list-style-type: none"> ➤ Adequate budget 	Principal Finance Officer

ICT SUPPORT

OBJECTIVE: To support effective ICT operations within the institute.

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/Risk Level	Mitigation Control	Responsibility
32.	Attack by malware such as computer viruses, worm	3	3	9	<ul style="list-style-type: none"> ➤ Install updated antivirus ➤ Limit software installation to ICT personnel only 	HOD ICT Support ICT Technician
33.	Loss of departmental data.	4	2	8	<ul style="list-style-type: none"> ➤ Backup of critical data ➤ Controlled access to server/main office computers. ➤ Use of firewall 	HOD ICT Support ICT Technician
34.	Unauthorized access to the institute systems	4	3	12	<ul style="list-style-type: none"> ➤ Use of username and password for all users accounts ➤ Train user on how to safe 	HOD ICT Support ICT Technician System end

					<ul style="list-style-type: none"> ➤ guide critical login data ➤ Use of firewall 	Users
35.	Out-dated software's and hardware's	2	4	8	<ul style="list-style-type: none"> ➤ Continues upgrading of software/ hardware 	HOD ICT support Principal
36.	Computer damage due to human/ electrical problems.	3	3	9	Proper cabling of computing devices Use of power guards and surge protectors Use backup battery for server computer Limit hardware repair to ICT personnel only. Repair and maintenance schedule per term for all computing devices	HOD ICT Support ICT Technician

PROCUREMENT

OBJECTIVE: Ensure that procurement of public goods and services is done as per the compliance laws and regulation and also in accordance with a system which is fair, competitive, transparent, equitable and cost effective.

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
37.	Delay in timely provision of essential services due to late approvals and delayed supplies	2	3	6	Timely approval	P.O Finance Officer
38.	Substandard or poor-quality services	2	3	6	Inspection and acceptance committee put in place project supervision Supplier reviews	Principal P.O
39.	Compliance risk	2	3	6	Adherence to laws and regulation in procurement	PRINCIPAL P.O F.O
40.	Overstatement or understatement of the need	3	3	6	Preparation of proper budgeting	H.O.D's
41.	Lack of procurement plan	1	5	5	Preparation of proper procurement plan	H.O.D's P.O Finance Officer

DEPUTY PRINCIPAL						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/Risk Level	Mitigation Control	Responsibility
42.	Poor lecture attendance by trainers	3	4	12	Enhance on trainers' daily attendance register. Enhance use of lecture attendance forms Enhance monitoring through spot checks	Dp Principal Academic HODS Class Reps
43.	Constant changes in the institutional timetable	4	2	8	Timely replacement & recruitment of trainers Properly prepared and validated workload. Appoint and train adequate timetablers	Dp Principal HOD'S HR
44.	Delay in recruitment of trainers	4	4	16	Enhance timely requisition of trainers. Enforce early recruitment. Maintain a data base for potential trainers	HOD HR
45.	Unauthorized interference with the institutional timetable	3	4	12	Enhance use of password policy to limit unauthorized access. Have lockable timetable noticeboards.	Dp Principal
46.	Failure to achieve the set performance target.	3	4	12	Enhance monitoring Follow up on exam analysis recommendations Conduct regular Academic meetings. Introduction of Departmental Academic Excellence trophy.	Dp Principal
ICT DEPARTMENT						
Risk No.	Name of the Risk	Likelihood	Consequences	Weight/Risk Level	Mitigation Control	Responsibility
47.	Inadequate teaching staff	3	3	9	-Requisition of additional trainers -Online teaching	-H.O.D
48.	Class Attendance Absenteeism	3	3	9	-Class attendance Register -Sensitization meetings	H.O.D
49.	Assessment Absenteeism	3	3	9	-Awareness --Sensitization meetings	H.O.D
50.	Late	3	3	9	-Effective communication --Sensitization meetings	H.O.D

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	preparation/submissions of teaching documents					
51.	Low enrolment	3	3	9	-Marketing -Publicity	H.O.D

BUILDING DEPARTMENT

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/Risk Level	Mitigation Control	Responsibility
52.	Unattended classes	3	3	9	<ul style="list-style-type: none"> ➤ Monitoring lecturer attendance register ➤ Close monitoring of lectures attendance 	HOD
53.	Inadequate skills in some trainers	2	2	4	<ul style="list-style-type: none"> ➤ Capacity building sessions for trainers 	HOD
54.	Inadequate staff(trainers)	3	3	9	<ul style="list-style-type: none"> ➤ Lobbying for more trainers 	HOD
55.	Pilferage in the workshops	3	3	9	<ul style="list-style-type: none"> ➤ Install surveillance cameras ➤ Additional technician ➤ Surcharging the culprits 	HOD
56.	Inadequate learning equipment in the workshop	3	3	9	<ul style="list-style-type: none"> ➤ Arranging the learners in groups when in the workshop ➤ Lobbying for more learning equipment 	HOD

EXAMINATION OFFICE

OBJECTIVE: Evaluation of the curriculum

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/Risk Level	Mitigation Control	Responsibility
57.	Exams malpractice	3	3	9	<ul style="list-style-type: none"> ➤ Invigilation ➤ Structural Arrangements in the Exams Rooms ➤ Punishing the Offenders ➤ Enough Revision ➤ Adequate Syllabus Coverage ➤ Training in Ethics and Integrity ➤ Holding Rehearsal Days 	<ul style="list-style-type: none"> • Principal • Examinations Officer • Supervisors • Invigilators
58.	Invigilator does not turn-up or lack of invigilator	4	3	12	<ul style="list-style-type: none"> ➤ Automate Timetabling of Internal Exams ➤ Create Invigilator Timetables ➤ Employ Emergency Invigilator(s) ➤ Examinations Office to Cover 	<ul style="list-style-type: none"> • Principal • Examinations Officer

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					➤ Discipline the Offenders	
59.	Wrong registration of candidates for national examinations	2	3	6	<ul style="list-style-type: none"> ➤ Candidates Signs the Nominal Roll after Verifying the Correctness of their Registration Details ➤ Candidates Write Exams as Under –Protest ➤ Write an Official Letter to KNEC informing them of the Wrong Registration ➤ Candidates indicate their Course and Module on The KNEC Result Slip Being Used for Registration 	<ul style="list-style-type: none"> • Principal • Examinations Officer • Academic HODs
60.	Receiving inaccurate entry of information and non-adherence to examinations timelines	4	3	12	<ul style="list-style-type: none"> ➤ Subject Teachers/HODS ensure Entry Check-Lists are Correct and are submitted on Time. ➤ Discipline the Offenders 	<ul style="list-style-type: none"> • Principal • Examinations Officer • Academic HODs
61.	Access of exam information by unauthorized users	3	2	6	<ul style="list-style-type: none"> ➤ Acquire enough door keys for every Authorized User ➤ Create Passwords when Booting Computers ➤ Create Passwords on every Folder/File created ➤ Create, Fill and File Record Control Sheets as is Appropriate 	<ul style="list-style-type: none"> • Principal • Examinations Officer

INDUSTRIAL LIAISON OFFICE

OBJECTIVE: To ensure quality training through industrial attachment.

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/ Risk Level	Mitigation Control	Responsibility
62.	Lack of placements for trainees.	3	3	9	<ul style="list-style-type: none"> ➤ Collaboration with industries ➤ Create awareness ➤ Database for industrial contacts 	ILO
63.	Failure to assess some students on attachment.	3	3	9	<ul style="list-style-type: none"> ➤ Sensitization of trainees 	ILO
64.	Indiscipline of students on attachment.	3	2	6	<ul style="list-style-type: none"> ➤ Sensitization of students ➤ Introduce commitment form 	ILO

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65.	Accidents on the trainees while on attachment.	2	2	4	<ul style="list-style-type: none"> ➤ Awareness on safety precautions ➤ Provide insurance covers to trainees 	
66.	Unauthorized access for office files (hard copies of information).	2	2	4	<ul style="list-style-type: none"> ➤ Provide lockable door ➤ Provide lockable cabinets ➤ Clear the desk, clear the screen 	

LIBRARY.

OBJECTIVE: To ensure access of quality and up-to-date academic course and reference materials in the institute

Risk No.	Name of the Risk	Likelihood	Consequences	Weight/Risk Level	Mitigation Control	Responsibility
67.	Theft of library materials	4	3	12	<ul style="list-style-type: none"> ➤ Installation of CCTV Cameras ➤ Installation of security systems ➤ User sensitization ➤ Stamping 	Librarian FO
68.	Wearing and tearing of library materials	2	2	4	<ul style="list-style-type: none"> ➤ Putting book covers ➤ Maintain cleanliness ➤ Dusting 	Librarian
69.	Obsolete materials	2	2	4	<ul style="list-style-type: none"> ➤ Frequent acquiring of materials ➤ Use of E-Books 	Librarian HODs
70.	Misplacing/Mis-shelving of library materials	2	2	4	<ul style="list-style-type: none"> ➤ Proper shelving ➤ Proper marking of shelves 	Librarian
71.	Mutilation of library materials	3	2	6	<ul style="list-style-type: none"> ➤ Fine the offenders ➤ Replacement of book if badly mutilated ➤ User sensitization 	

10. Environmental And Sustainability Reporting Statement

Kigumo Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything that we do. It’s what guides us to deliver our strategy: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

Sustainability strategy and profile

The triple Bottom Line concepts analyses the sustainability of an organization based on three concepts: Profits, people (social) and Planet (environment).

Profit: The institute has benefited greatly through the financial Support received from national government through NGCDF, NGAAF, HELB, grants and capitation. This has led to improved and expanded infrastructure thus resulting in increased student enrolment.

Social: Devolution system of Government has contributed to the increased demand for skills at the county level hence increased student enrolment. This has a direct positive impact to the community around the institution.

Environment: The Board of governance has plans to undertake an environmental sustainability audit and develop an environmental policy to address the issues of environmental sustainability that will be identified during the audit.

Category	Issue(s)	Description of effect	Action to mitigate
Political	Favourable Political situation	<ul style="list-style-type: none"> ➤ Increased student enrolment ➤ Conducive learning environment 	<ul style="list-style-type: none"> ➤ Surveillance and intelligence on potential risks
	Devolution system of Government	<ul style="list-style-type: none"> ➤ Demand for skills at the county level hence increased student enrolment 	<ul style="list-style-type: none"> ➤ Lobby/ Create linkages with the County Governments.
	Financial Support from national government through NGCDF, NGAAF, HELB, grants and capitation.	<ul style="list-style-type: none"> ➤ Improved and expanded infrastructure ➤ Increased students’ enrolment 	<ul style="list-style-type: none"> ➤ Prudent use of government funds ➤ Accountability in the use of available resources

Environmental performance

The institute has an environmental policy that provides a framework for: reducing negative environmental impacts such as such energy or water consumption, waste management or impacts on natural systems. Kigumo Technical and Vocational College has adopted the following.

- a) Waste segregation bins for ease disposal and further treatment / processing. This has resulted in an effective and sustainable waste management system and reduction of pollution
- b) Having an annual environmental awareness week and participation in college environmental activities spearheaded by the Nature Club. The year under report environmental awareness week culminated in planting trees within the communities surrounding the institution.
- c) Energy conservation by use of “Turn off lights stickers” being mounted on switches all around the institution. The stickers were sensitizing the institute community on energy saving

Employee welfare

At Kigumo Technical and Vocational College, we integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviours of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We also seek to minimize our environmental impact and seek to enhance the amenity of residential communities.

We value our employees who are directly or indirectly involved in training of our students and contribute to their potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community consultation process.

Market place practices-

The organisation should outline its efforts to:

- a) Responsible competition practice.
The college has ensured it competes responsibly and practices responsible competition practices;
 - i. Ensuring all suppliers are given equal opportunities through public advertisement of tenders.
 - ii. Ensuring that there is fair competition with fellow competitors.
- b) Responsible Supply chain and supplier relations

As per the government policy and Section 227 of The Constitution of Kenya, the institute has ensured that it complies with procurement regulations.

1. All procurement activities are carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure.
2. The Institute has maintained and continuously updated a list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs

Kigumo Technical and Vocational College ensures that;

- i) Customers are provided with support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- ii) Proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- iii) When doing procurement planning, the institute has complied with preference and reservation requirements.
- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

- c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.

The college has embarked on responsible marketing and advertisement via chief barazas, in churches and market places to ensure massive enrolment.

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

The college has not engaged in much activities over the year being its first year of operation but in intending to engage in sporting activities targeting the youthful community.

It also intends to take staffs on training to enhance their skills and development career wise.

In the course of the coming financial year the college will engage and collaborate with healthcare centres to offer free screening on HIV/AIDS and Guidance and Counselling.

Corporate Social Responsibility / Community Engagements

The Institute carried out various CSR activities during the year under review. These activities include:

- Tree planting
- Cleaning the environment amongst others
- Provide free dustbins to the community within the county

a) School Environmental Awareness Programmes

The institute has embraced school environment programmes as tool of enhancing awareness creation on environmental conservation. The programme entailed creating awareness on environmental conservation among school children and community members. The students are taught how to plant trees seedlings to ensure higher survival rates and also to take care of them till maturity.

11. Report of the Board of Governors

The Board members submit their report together with the financial statements for the year ended June 30, 2023 which show the state of the Kigumo Technical and Vocational College.

Principal activities

The principal activity of the entity to provide Technical, Vocational and Entrepreneurship Training (TVET) using appropriate technology to empower trainees for individual and national development

Results

The results of the entity for the year ended June 30 are set out on page 1-5.

Board of Governors

The members of the Board (Mentor) who served during the year are shown on page v-vii.

Auditors

The Auditor General is responsible for the statutory audit of the KTVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Secretary of the Board

Date: 7/05/2025

12. Statement of Board of Governors

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

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

The Board members accept responsibility for the entity 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. The Board members are of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity 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 entity will not remain a going concern for at least the next twelve months from the date of this statement.


Approval of the financial statements

The College Financial Statements were approved by the Board on 7th May 2025 and signed on its behalf by:



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Name: Benson N. Kamau
Chairperson of the Board

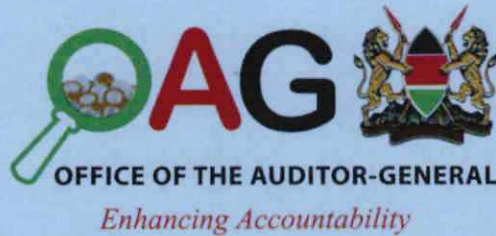


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Name: Anne M. Mbogo
Accounting Officer/Principal
(Mentor)

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KIGUMO TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kigumo Technical And Vocational College set out on pages 1 to 32, which comprise of the statement of financial

Report of the Auditor-General on Kigumo Technical and Vocational College for the year ended 30 June, 2023

position as at 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 year then ended and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kigumo 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 Public Finance Management Act, 2012 and Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1.0 Inaccuracies in Net Assets

The statement of financial position as at 30 June, 2023 reflects net asset balance of Kshs.62,507,512 representing net balance of total assets and total liabilities of Kshs.67,761,248 and Kshs.4,852,664 respectively. However, a re-computation of the total assets and total liabilities results to a total net asset of Kshs.62,908,584 giving an unreconciled and unexplained balance of Kshs.401,072.

In the circumstance, the accuracy of net asset balance of Kshs.62,507,512 could not be confirmed.

2.0 Inaccuracy in Cashflow Statement

The statement of cashflow for the year ended 30 June, 2023 and as disclosed in Note 17 to the financial statements reflects net cash flow from operating activities of Kshs.5,762,151. However, a re-computation of the net cashflow from operating activities resulted to a balance of Kshs.6,693,342 giving an unreconciled and un explained balance of Kshs.931,191.

In the circumstances, the accuracy of cash flow from operating activities balance could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparative budget and actual amount reflects final budget and actual on a comparable basis of Kshs.18,401,000 and Kshs.8,854,821 respectively resulting to an under funding Kshs.9,546,179 or 52% of the budget. Similarly, the College spent Kshs.6,583,498 against actual receipts of Kshs.8,854,821 resulting to underutilization of Kshs.2,271,323 or 26% of actual receipts. The underfunding and under-utilization may affect the planned activities and negatively impact service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Conclusion

The Management is responsible for the Other Information set out on page iii to xxxviii which comprise of Key Entity Information and Management, Council/Board of Governors, Key Management team, Chairman's Statement, Report of The Chief/Senior Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council/Board of Governors, Statement of Board of Governors/Council's Responsibilities and Report of the Independent Auditors on Kigumo Technical And Vocational College.

The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

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 and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Compliance with Law of Ethnic Diversity

Review of the staff records revealed that the total number of employees in the College is 23 out of which 26 were from a dominant ethnic community in Kenya or 86% against the requirement of Section 7(1) and (2) of the National Cohesion and Integration Act, 2008. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008.

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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Identify and Perform Risk Assessment

During the financial year under review, it was observed that the College did not perform identify and perform risk assessment. This was contrary to the College finance and

internal control manual which requires the finance department to ensure functional areas complete risk identification forms to identify its risks, rates them, state risks impact, probability, determines risk treatment, risk owner and therefore the level of overall risk.

In the circumstances, the effectiveness of the College's risk management and related controls could not be confirmed.

2. Failure to Automate the Financial Reporting Process

Review of the financial reporting process revealed that the College relies on manual system to prepare financial reports and in collection of fees from registered student. Subsequently the preparation of financial statements, trial balance and accounts support ledgers is processed manually on excel worksheets which is prone to manipulations and human errors. In addition, with the anticipated growth in number of students it will be not be sustainable for the college continuance reliance on manual system on collection of fees from students and subsequent generation of financial reports. In view of the above it is prudent that the college's management takes advantage that will come with implementation of an automated systems in fee collection and generation of financial reports.

In the circumstances, effectiveness the College's financial controls and reporting could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 May, 2025

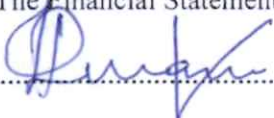
Kigumo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement of Financial Performance For The Year Ended 30 June 2023

	Notes	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	1,000,000	
Revenue from Exchange transactions			
Rendering of services- fees from students	7	9,933,920	
Other income	8	1,410,000	
Revenue from Exchange transactions		11,343,920	
Total Revenue		12,343,920	
Expenses			
Use of goods and services	9	5,657,912	
Employee costs	10	1,173,769	
Board Expenses	11	260,000	
Depreciation and amortization expense	12	1,675,965	
Total Expenses		8,767,646	
Net surplus/(deficit) for the year		3,576,274	


(The notes set out on pages 20 to 25 form an integral part of the Annual Financial Statements).

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



Chairman of Board

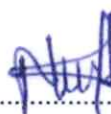
Date 7/05/2025



Finance Officer

ICPAK No 22979

Date 7/05/2025



Principal

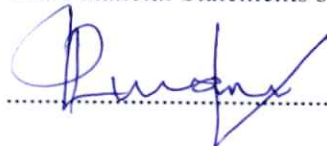
Date 7/05/2025

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

15. Statement of Financial Position As At 30th June 2023

Description	Notes	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	13	3,271,323	
Current portion of receivables from exchange transactions	14	2,306,360	
Total Current Assets		5,577,683	
Non-Current Assets			
Property, plant, and equipment	15	62,183,565	
Total Non-Current Assets		62,183,565	
Total Assets		67,761,248	
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	16	4,852,664	
Total Current Liabilities		4,852,664	
Total Liabilities			
Net Assets		62,507,512	
Accumulated Surplus		3,576,274	
Capital Fund		58,931,238	
Total Net Assets and Liabilities		62,507,512	

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



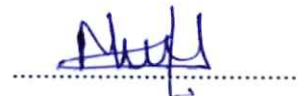
Chairman of Board

Date 7/05/2025



Finance Officer
ICPAK No 22979

Date 7/05/2025



Principal

Date 7/05/2025

16. Statement of Changes in Net Asset For The Year Ended 30 June 2023

Description	Revenue reserve	Capital Fund	Total
At July 1, 2021	-	-	-
Revaluation gain	-	-	-
Surplus/(deficit) for the year	-	-	-
Capital grants received during the year	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-
At June 30, 2022	-	-	-
At July 1, 2022	-	-	-
Revaluation gain	-	-	-
Surplus/(deficit) for the year	3,576,274	-	3,576,274
Capital grants received during the year	-	58,931,238	58,931,238
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-
At June 30, 2023	3,576,274	58,931,238	62,507,512

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17. Statement of Cash Flows For The Year Ended 30 June 2023

Description		FY 2022-2023	FY 2021-2022
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	1,000,000	
Rendering of services- fees from students		8,854,821	
Total Receipts		9,854,821	
Payments			
Use of goods and services		3,215,032	
Employee costs		977,638	
Board Expenses		-	
Total Payments		4,192,670	
Net Cash Flows from operating activities		5,762,151	
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		2,390,828	
Net cash flows used in investing activities		2,390,828	
Net Increase/(Decrease) in Cash and Cash equivalents			
Cash and Cash equivalents at 1 JULY	13	-	
Cash and Cash equivalents at 30 JUNE	13	3,271,323	

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	Explanation Note
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%	
Rendering of services- fees from students	16,062,000	-	16,062,000	8,854,821	7,207,179	45%	a
Other Income	2,339,000	-	2,339,000				b
Total Income	18,401,000	-	18,401,000	8,854,821			
Expenses							
Use of goods and services	6,820,700	-	6,820,700	3,215,032	3,605,668	53%	c
Employee costs	5,160,000	-	5,160,000	977,638	4,182,362	81%	d
Board Expenses	900,000	-	900,000	-	900,000	100%	e
Development	5,520,300	-	5,520,300	2,390,828	3,129,472	57%	f
Total Expenditure	18,401,000	-	18,401,000	6,583,498			
Surplus For the Period				2,271,323			
Capital Expenditure							

(Budget notes)

a. Rendering of services -32%

There was no capitation disbursement

b. Other income -40%

There was no income from miscellaneous that were initiated by the institution

c. Use of goods and services-53%

The college was in operation for only six months in the financial year hence only made purchases of minimal training materials

d. Employee costs-81%

The college engaged its first teaching staff in the month of January 2023 in contractual basis and on internship basis due to its financial constraints hence reducing the wage bill.

e. Board Expenses-100%

The college was relying on the mentor institution board of governors as it didn't have BOG in operation during the financial year.

f. Development-57%

The college managed to make purchases of a few training equipment's and furniture's to kickstart its operation looking forward to indulge in major projects in the coming financial years.

19. Notes to the Financial Statements

1. General Information

Kigumo Technical and Vocational College is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide Technical Vocational and Entrepreneurship Training (TVET).

2. Statement of Compliance and Basis of Preparation

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

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

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

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

iii. **Early adoption of standards**

Kigumo Technical and Vocational College did not early-adopt any new or amended standards in year 2023.

Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2022/2023 was approved by the Board on 30th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity did not record additional appropriations on the FY 2022/2023 budget following the Board's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts as per the statement of financial performance has been presented under page 5 of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule xxx of the xxx Act.

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

k) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

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

r) Related parties

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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.

**Kigumo Technical and Vocational College
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Notes to the Financial Statements (Continued)

5. Transfers from other National Government entities

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Unconditional Grants		
Operational Grant	1,000,000	
Total unconditional Grants	1,000,000	
Total Government Grants and Subsidies	1,000,000	

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of Education				1,000,000	
Total				1,000,00	

6. Rendering of Services

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Tuition fees	1,713,432	
P/Emolument	1,943,920	
Repair and maintenance	393,296	
Local transport & travel	896,008	
Activity fees	921,200	
Electricity Water & Conservation	1,037,760	
Insurance	112,800	
Administration	1,426,544	
Capacity Building	112,048	
Practical	1,376,912	
Total Revenue from The Rendering of Services	9,933,920	

This is the revenue from student's fees which has been guided by student fee structure to various vote heads

Notes To the Financial Statements (Continued)

7. Other Income

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
College ID cards	94,000	
Registration Fees	376,000	
KUCCPs	564,000	
Development Fees	376,000	
Total other income	1,410,000	

8. Use of Goods and Services

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Teaching and learning materials	2,108,200	
Administration cost	2,454,497	
Electricity, Water & conservation	111,084	
Activity & sport	218,224	
Capacity Building Expense	245,000	
Practical materials	446,332	
KUCCPs	70,000	
Bank charges	4,575	
Total good and services	5,657,912	

9. Employee Costs

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Personal Emoluments	1,173,769	
Employee Costs	1,173,769	

10. Board Expenses

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Board Emoluments	260,000	
Total	260,000	

11. Depreciation and Amortization expense

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Property, plant and equipment	1,675,965	
Total depreciation and amortization	1,675,956	

Notes To the Financial Statements (Continued)

12. Cash and Cash Equivalents

Description	2023	
	Kshs	US\$
Current Account	3,271,323	
Total Cash and Cash Equivalents	3,271,323	

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

Financial Institution	Account Number	2023	
		Kshs	US\$
a) Current Account			
Kenya Commercial Bank	1302834932	3,271,323	
Cash in Hand		-	
Sub- Total		3,271,323	
Grand Total		3,271,323	

14. Receivables from Exchange transactions

14 (a) Current Receivables from Exchange transactions

Description	2023	
	Kshs	US\$
Current Receivables		
Student Debtors	2,306,360	
Total Current Receivables	2,306,360	

14 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2023		2022	
	Kshs	% of total	Kshs	% of the total
Less than 1 year	2,306,360	100%	-	-
Total (a+b)	2,306,360	100%	-	-

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

Description	2023	
	Kshs	US\$
At the beginning of the year	0	-
Provisions during the year	-	-
Recovered during the year	-	-
At the end of the year	2,306,360	-

Notes to the Financial Statements (Continued)

15. Property, Plant and Equipment

At 1 July 2021	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
At 30th June 2022	-	-	-	-	-	-
Additions/ Costs	7,500,000	52,480,855	2,624,401	690,308	563,966	63,859,530
At 30th June 2023	7,500,000	52,480,855	2,624,401	690,308	563,966	63,859,530
Depreciation And Impairment						
At 1 Jun 2021	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30 Jun 2022	-	-	-	-	-	-
Depreciation		1,049,617	328,050	227,802	70,496	1,675,965
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-
At 30th Jun 2023	-	1,049,617	328,050	227,802	70,496	1,675,965
Net Book Values	7,500,000	51,431,238	2,296,351	462,506	493,470	62,183,565
At 30th Jun 2022	-	-	-	-	-	-
At 30th Jun 2023	7,500,000	51,431,238	2,296,351	462,506	493,470	62,183,565

Technical and Vocational College
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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Highland Associate Surveyors professional valuers on 12th October 2023. These amounts were adopted in the financial statements on 30th June 2023.

15 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	7,500,000	-	7,500,000
Buildings	52,480,855	1,049,617	51,431,238
Plant And Machinery	563,966	70,496	493,470
Computers and Related Equipment	690,308	227,802	462,506
Office Equipment, Furniture, And Fittings	2,624,401	328,050	2,296,351
Total	63,859,530	1,675,965	62,183,565

1. Trade and Other Payables

Description	FY 2022-2023		FY 2021-2022	
	Kshs	% of the Total	Kshs	% of the Total
Trade payables	3,483,574		-	
Fees paid in advance	1,369,090		-	
Total Trade and Other Payables	4,852,664		-	
Ageing analysis:	FY 2022-2023	% of the Total	FY 2021-2022	% of the Total
Under one year	1,369,090	100%	-	-
1-2 years	3,483,574	100%	-	-
Total (to tie to totals above)	4,852,664	100%	-	-

Technical and Vocational College
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Notes to the Financial Statements (Continued)

16. Payments received in advance.

	FY 2022-2023		FY 2021-2022	
	Rs.	Rs.	Rs.	Rs.
Fees received in advance	1,369,090		-	
Total	1,369,090		-	
Ageing analysis:	FY 2022-2023	% of the Total	FY 2021-2022	% of the Total
Under one year	1,369,090	100 %	-	-
Total	1,369,090	100 %	-	-

17. Cash generated from operations.

	FY 2022-2023	FY 2021-2022
	Rs.	Rs.
Adjusted for:	3,576,274	-
Depreciation	1,675,965	-
Working Capital Adjustments		
Increase in Receivables	(2,306,360)	-
Increase in Deferred Income		-
Increase in Payables	2,378,373	-
Increase in Payments received in advance	1,369,090	-
Net Cash Flow from Operating Activities	5,657,912	-

The total payables are payables that are not capital in nature.

Notes to the Financial Statements (Continued)

18. Financial Risk Management

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

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2023				
Receivables from exchange transactions	2,306,360	2,306,360	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	2,695,443	2,695,443	-	-
Total	5,001,803	5,001,803	-	-

Notes to the Financial Statements (Continued)
Financial risk management (continued)

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

The entity doesn't have any significant concentration of credit risk on amounts due.

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade Payables	-	-	-	-
Total	-	-	-	-
At 30 June 2023				
Trade Payables	3,483,574	-	3,483,574	3,483,574
Total	3,483,574	-	3,483,574	3,483,574

Notes to the Financial Statements (Continued)
Financial risk management (continued)

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities	-		
Trade and Other Payables	4,852,664	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	4,852,664	-	-

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

Notes to the Financial Statements (Continued)

Financial risk management (continued)

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2022			
Euro	10%	-	-
Usd	10%	-	-
2023			
Euro	10%	-	-
Usd	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20XX: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20XX – Kshs xxx)

Notes to the Financial Statements (Continued)
Financial risk management (continued)

iv) Capital Risk Management

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

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	3,576,274	-
Capital Reserve	58,931,238	-
Total Funds	62,507,512	-
Total Borrowings	3,483,574	-
Less: Cash and Bank Balances	(3,271,323)	-
Net Debt/(Excess Cash and Cash Equivalents)	212,251	-
Gearing	0.33%	-

19. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of Governors;
- v) Students
- vi) Staffs
- vii) Key management
- viii) Community
- ix) Parents/Guardians/sponsors
- x) External providers/suppliers

Notes to the Financial Statements (Continued)

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

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Rendering of services (Training and Learning)	11,343,920	-
Total	11,343,920	-
B) Purchases from related parties		
Purchases of electricity from kplc	111,084	-
Total	111,084	-
b) Grants /Transfers from the Government		-
Grants from National Govt	1,000,000	-
Total	1,000,000	-
c) Expenses incurred on behalf of related parties		-
Payments of Salaries and Wages for Employees	1,173,769	-
Payments for Goods and Services	5,230,691	-
Total	6,404,460	-
d) Key Management Compensation		
Directors' emoluments	260,000	-
Total	260,000	-

20. Segment Information

The institution operates only in one geographical region or in departments, and thus IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments does not apply.

21. Events After The Reporting Period

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

22. Ultimate And Holding Entity

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

23. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A	N/A	N/A	N/A	N/A



Anne. M. Mbogo

Accounting Officer (Mentor)

Kigumo Technical and Vocational College

Date 7/05/2025

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Appendix II: Projects Implemented by Kigumo Technical and Vocational College

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	N/A	N/A	N/A	N/A	N/A	N/A

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	N/A	N/A	N/A	N/A	N/A	N/A

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Appendix III- Inter-Entity Confirmation Letter



KIGUMO TECHNICAL AND VOCATIONAL COLLEGE

Email: kigumotvc@gmail.com Phone number: 0769394273 Address: 5-10203 Kigumo



Kigumo Technical and Vocational College wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Kigumo Technical and Vocational College as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received by Kigumo TVC (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	24/10/2022	500,000	-	-	500,000	500,000	0
	16/01/2023	500,000	-	-	500,000	500,000	0
Total		<u>1,000,000</u>			<u>1,000,000</u>	<u>1,000,000</u>	0

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

Head of Accountants department of beneficiary Entity:

Name Odina Bahati Sign [Signature] Date 7/15/2025


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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
N/A	N/A	N/A	N/A	N/A	N/A	N/A
						

Anne. M. Mbogo
Accounting Officer (Mentor)
Kigumo Technical and Vocational College
Date 7/05/2025