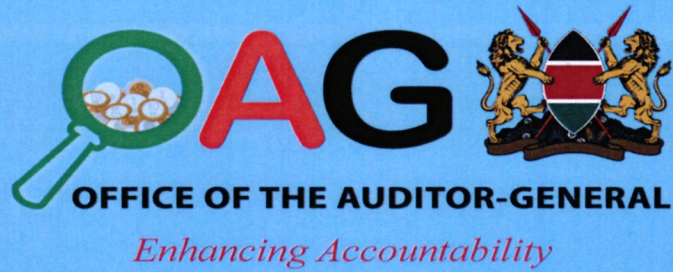


REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

REPORT

DATE: 25 JUL 2020

DAY:

WEDNESDAY

TABLED
BY:

Hon. Naomi Wago, MP
Deputy Leader of the Opposition

OF
PRESENTED AT
THE TABLE:

Anne Shuburo

THE AUDITOR-GENERAL

ON

**LAIKIPIA EAST TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2020**



LAIKIPIA EAST TECHNICAL & VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2020

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

Laikipia East Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June, 2020

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Laikipia East Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June, 2020

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I. Key College Information and Management

(a) Background information

LETVC is established in a land set aside for the development of the community social amenities. The GoK through the Ministry of Education funded the construction of the college complex at a tune of ksh.51,600,000.00. The construction was mentored by Mathenge Technical Training Institute from 2014 to 2019 when it was handed over to MoE and the college admitted its first group of students in September 2018.

The institute is headed by the Principal Mr Simon Ngatiah who has wide experience in institution management having served in various institutions in senior positions. LETVC is managed by a committed Board of Governors drawn from various fields who oversees the learning and utilization of the college resources.

LETVC has made major strides in putting in place the required infrastructure and resources to mount quality TVET programmes.

The college has currently a population of 237 students undertaking various courses. This became possible through a joint effort by the GoK by providing capitation, HelB and NG CDF bursaries which have promoted the growth and enrolment of the college

(b) Principal Activities

The principal mission of the Laikipia East Technical & vocational College is to equip trainees with technical & vocational skills for global competitiveness through innovation and technological empowerment

(c) Key Management

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

- Board of Governors
- Accounting officer/ Principal
- Deputy Principal
- Finance Officer
- Procurement officer
- Heads of departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 31th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Ngatiah N. Simon
2.	D/ Principal	Naomi M. Nga'nga
3	Registrar	Stephen N. Mwangi
	Dean of Students	Samuel Mugambi Mwindire
4	Finance Officer	Oliver Mwiti Murungi
5	HOD ICT/Business	Wesley Kipng'eno Bett

No.	Designation	Name
6	HOD Building and Civil Engineering	Juma George Otieno
7	HOD Electrical and Electronics Engineering Department	Esther Kinuthia
8	HOD Hospitality and Tourism Department	Timothy Muthamia Kanyangi

(c) Fiduciary Oversight Arrangements

Risk and audit committee activities

- a) To evaluate adequacy of management procedure with regard to issues relating to risk management, control and governance;
- b) To review external audit findings and recommendations and propose corrective and preventive actions where necessary;
- c) To review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics;
- d) To initiate special audits and or investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer; and exercise such other powers as the Board may from time-to-time delegate to the Committee

Finance and general operations committee activities

- a) To receive, consider and submit the proposed budget estimates from the various college department for approval by the Board;
- b) To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
- c) To report to the Board all matters related to finance, human resource and development;
- d) To ensure that accurate records are kept on the establishments in the College;
- e) To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the College;
- f) To report to the Board on the progress of physical infrastructure development of the College;
- g) To prepare College Development plans for an approved Year and submit to the Board; and
- h) To exercise such other powers as the Board may from time-to-time delegate to the Committee.

(f) College Headquarters

P.O. Box 14- 10129
Mugunda
Along Nyahururu Road (Marina Shopping Centre)

(g) College Contacts

Telephone : (254) 0721356821/0713380692
E-mail: laikipiatvc@gmail.com

(h) College Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Other Commercial Banks
Kenya Commercial Bank
1222409348
Nyeri branch

(i) Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, University 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




II. The Board of Governors

Director's passport-size photo and name, and key profession/academic qualifications	Director's date of birth, key qualifications and work experience
 <p>1. Name: Ndungu Kairu Gakungu Profession: Environmental Engineer Academic Qualification: Master degree in Environmental & Bio systems Engineering</p>	<p>Date of birth: 1/1/1957</p> <p>Qualifications Master degree in Environmental & Biosystems Eng University of Nairobi Post – Graduate Certificate in Environmental Impact Assessment and Audit Nazarene university Bachelor Of Civil Eng- Coventry university Higher Diploma in construction (highway) Kenya polytechnic Diploma in Education – Mombasa poly Diploma in civil Eng. – Mombasa poly</p> <p>Work Experience 2012 – 2013 – Director of Technical Accreditation and Quality Assurance in the MOHEST 2008- 2012- Acting Director of Technical Accreditation and Quality Assurance in the MOHEST 1998- 2007 - Assistant Director of Education, Senior Assistant Director of Education 1986 – 1998 Teacher at Mombasa Polytechnic</p>
 <p>2. Name: Margaret Nduhiu Profession: Educationist Qualifications: Master Degree in Education (Planning)</p>	<p>Date of birth: 1964</p> <p>Qualifications Master Degree in Education (Planning)</p> <p>Work Experience 1989 – 2008-Trainer 2008- 2014 - Education officer 2014 to date CD- TVET</p>

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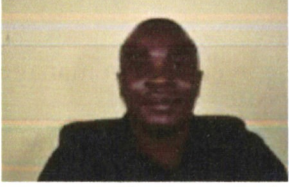

 <p>3. Name: Judith Mbete Mutune Profession: lecturer Qualifications: Master Degree in Economics</p>	<p>Date of birth: 22/03/1974</p> <p>Qualifications Bachelors of Arts (Economics & Geography) UON Higher Diploma in Management of Information – UK Master degree in Economics – UON</p> <p>Work Experience 2006 – date – lecturer at Kenya Institute of Surveying and Mapping</p>
 <p>4. Name: Jedidah Wangechi Muthoni Profession: Consultant Qualifications: Bachelor of Science</p>	<p>Date of birth: 24/06/1989</p> <p>Qualifications University of Eldoret 2009 – 2013 Bachelor of Science Soils and Land Use Management</p> <p>Work Experience 2013 – 2016 KCB agent banking consultant</p>
 <p>5. Name: Jane Wangari Wanjeru Profession: Banker/accountant Qualification: Bachelor of Commerce Degree Accounting options (MKU)</p>	<p>Date of birth: 1986</p> <p>Qualifications Bachelor of Commerce degree accounting option (MKU) CPA(K)</p> <p>Work Experience 2016 to date CEO Tambulika Sacco 2016 Finance & Operation Manager VEP Group 2012 -2016 Finance Manager Orient Sacco 2010- 2012 Accountant Murata Sacco</p>
 <p>6. Name: Teresa Mumbi Wambugu Profession: Accountant</p>	<p>Date of birth: 1985</p> <p>Qualifications Master degree in Business Administration (ongoing) Bachelor of Commerce degree accounting options (JKUAT) CPA(K)</p> <p>Work Experience 2019 date – Chief Accountant County Assembly of Nyeri</p>

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<p>Qualifications: Master degree in Business Administration (ongoing)</p>	<p>2014- 2019 –senior accountant county assembly of Nyeri Assistant Hansard editor Part time lecturer Kimathi University</p>
<p>7.  Name: Harun Thuo Kamau Profession: mechanical engineering Qualifications: BSC in Mechanical Engineering</p>	<p><u>Date of birth:</u> 02/11/1988 <u>Qualifications</u> 2012 - 2016 Dedan Kimathi University BSC in mechanical engineering Jan 2008 – Nov 2010 – Diploma in Mechanical Eng– Muranga College of Tech <u>Work Experience</u> 2014 Hyung & Co (EA) Ltd</p>
<p>8.  Name: Rashid Kiguru Abdalla Profession: Consultant Qualifications: Bachelor of Arts</p>	<p><u>Date of birth:</u> 1966 <u>Qualifications</u> Bachelors of Art degree Moi University <u>Work Experience</u> 2015 to date CEO RASCODE enterprises 2009 - 2014 Estate Manager 2005- 2009 Telkom Kenya</p>
<p>9.  Name: Mr Ngatiah Simon Nderitu. Profession: Principal/Trainer Qualifications: MED, BED, HND-HRM</p>	<p><u>Date of birth:</u> 1968 <u>Qualifications</u> Master degree in education management planning (UON) Bachelors of education degree (Moi University) Higher diploma in human resource management <u>Work Experience</u> 2018- date -Principal LETVC Registrar: Nyeri National Polytechnic Examination Officer: Nyeri National Polytechnic Trainer/ISO QMT Auditor: Nyeri National Polytechnic</p>

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III. Management Team

Name of the Staff	Responsibility
 Mr Ngatiah Simon Nderitu. MED, BED, HND-HRM	Principal/ Secretary: Board of Governors
 Ms Naomi M. Ng'ang'a Bachelor of Sustainable Tourism and Hospitality Management	Deputy Principal
 Mr Stephen N. Mwangi Bachelor of science information and Communication Technology	Ag. Registrar
 Mr Samuel M. Mwindire Bachelor of Science in manufacturing and Technology	Ag. Dean of Students
 Oliver Mwiti Murungi Certified Public Accountant of Kenya-CPA[K] Diploma in Technical Education	Finance Officer

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 <p>Mr Weru Jack Njogu Bachelor of Science in Mechanical and Industrial Engineering</p>	<p>Examination Officer</p>
 <p>Juma George Otieno Bachelor of Science in Civil Engineering</p>	<p>Ag. H.O.D Building & Civil Engineering</p>
 <p>Esther Kinuthia Diploma in Electrical and Electronics Engineering</p>	<p>Ag. H.O.D Electrical & Electronics</p>
 <p>Mr Timothy Kaunyangi Diploma in Catering and Accommodation</p>	<p>Ag. H.O.D Hospitality and College Management</p>
 <p>Mr. Wesley Bett Kipng'eno Bachelor of Science in Computer Science</p>	<p>Ag. H.O.D Business Studies and ICT</p>

IV. Chairman's Statement



I am pleased to present the annual report and financial statement of Laikipia East Technical & Vocational College for the year ended 30th June 2020.

The demand for TVET programmes in the country has continued to rise prompting the institution to continually introduce academic programme that respond to the demand of the market. The objective of the board is to position the LETVC main programmes within the context of the market requirements, cost rationalisation, equity and customer satisfaction.

During the financial period, key achievements were realized, these are

- a) Increased students' enrolment
- b) Strengthened industrial attachment and linkages
- c) Established collaboration with the sister institutions and industries.
- d) Established public private partnership to address the shortage of accommodation spaces for the increased population growth.
- e) Establishment of various academic programme.

During this financial year, financial commitment was geared towards development of the strategic plan which sets out the process of putting up infrastructures suited to give support to academic programmes being the core function of the institution. I am proud to note that the college has made big achievements these include growth in students' numbers, competitive recruitment of BoG staff and development of the infrastructures to support academic programmes.

The institute has witnessed significant growth of its assets that has promoted a good training environment for both trainers and trainees. In this regard, I wish to thank the members of the board who have provided useful insight to the institute management making it possible to collectively make progress. The board remains committed to building on the foundation laid down so far and will work closely with other LETVC top management team in order to realise further development. The board is pleased with efforts of the stakeholders to ensure prudent management of resources. I thank the government for its financial support so far that has made it possible to implement the LETVC functions and programmes.

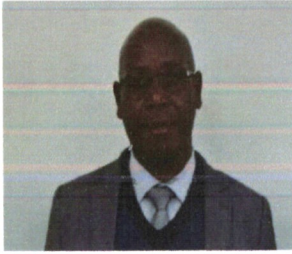
Laikipia East Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June, 2020

I finally, wish to thank all stake holders for their continued support and dedication, even as we together strive to achieve greater heights of excellence.



Mr. Ndungu Kairu Gakungu
Chairman BoG,

V. Report of the Principal



Presented herein is the annual report and financial statement of Laikipia East Technical & Vocational College for the year ended 30th June 2020 as per the requirements of the Public Finance Management Act of 2012 and public audit act, 2003.

The institute started its operation in and during the financial year under review, the institute generated kshs. 9,744,604.00 and Kshs.101,965.00 in A- in – A vide student’s tuition and other income and kshs. 1,000,000.00 For recurrent grants from the government of Kenya.

The institute aims at diversification of revenue streams through the following objectives
~~Financial gok support on students’ capitations and development of the proposed projects.~~

- a) Increased trainees’ enrolment
- b) Establishing income generating activities
- c) Collaborate with industries agencies for innovations funding
- d) Soliciting for grants, donations and sponsorship

The institute carries out an analysis of the internal and external environment using (SWOT) and (PESTEL) analysis. This provided an implementation, a monitoring and evaluation frame work and a projection of resource requirement for the implementation to realise the institute mandate.

The institute also carries out key stakeholders’ analysis that identifies the changing needs to ensure cooperation and support in the achievement of her mission.

The mandate of the institute is derived from the TVET ACT of 2012 which outlines the objectives towards promoting TVET education in Kenya.

During the year under review, the institute embarked on establishing a number of academic programmes, Artisan, certificate and diploma in engineering, food & beverage, hair dressing & beauty therapy. This is after institute embarked on an intensive marketing programme aimed at enhancing its visibility and increasing students’ enrolment.

Laikipia East Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June, 2020

On behalf of the management and staffs of LETVC, I take this opportunity to thank the Board for the support accorded to the key management and for its visionary direction in development of this institution.

I appreciate the support from the GoK through -out the year under review though we appeal for more support especially for the purpose of establishing suitable facilities required towards becoming the TVET of choice for trainers.

I thank the key management, staffs and trainees of the college for their continued cooperation in this challenging but noble task of building the institute and look forward to the same cooperation and enthusiastic participation in 2020 – 2021 financial year.



Mr. Simon N Ngatia
Principal/ Sec BoG

Laikipia East Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June, 2020

VI. Statement of Performance against Predetermined Objectives

Laikipia East Technical & vocational college has 9 strategic pillars and objectives within its Strategic Plan for the FY 2018- 2023. These strategic pillars are as follows:

1. Enhance Access and equity;
2. To diversify training programmes;
3. To improve Institutional corporate governance / management;
4. Promote effective application of ICT;
5. To improve corporate image
6. To improve the financial base of the College;
7. To ensure the staff are adequate, competent and highly motivated;
8. Enhance collaborations and linkages;
9. Upgrade and increase the infrastructure;

Laikipia East Technical & vocational college develops its annual work plan based on the above 9 pillars. Assessment I of the Board's performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2018/2019 period for its 9 strategic pillars, as indicated in the diagram below:

Strategic	Objective	strategy	Key performance indicators	Activities	Achievements
Access and equity	Enhance Access and equity	Introduce short market-driven courses	Identified market driven courses Number of trainees enrolled Amount realized from courses	Market the identified short courses Engage trainer Identify the computers to be used to train the student	Introduced computer packages
Training programs	Diversify training programs	Introduce new market driven training programs	Identified market driven programs Number of trainees enrolled in catering & accommodation workshop fabricated	Market the identified programs Engage trainer fabricate the workshop	Catering & accommodation course introduced

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corporate governance / management	improve Institutional corporate governance / management	Develop and implement institutional policies, strategies and programs	Identified policies list of the committees draft policies approved policies	key policies identified working committee appointed to develop the policy draft policies presented to the board for approval	developed finance management manual & policy, scheme of service and career progression board charter asset management policy human resource policy /manual
effective application of ICT	Promote effective application of ICT	Promote the use of ICT institution wide	developed online teaching platform number of programmes	Develop Online teaching platform	started online learning on one way of curbing the spread of COVID 19
Financial base of the College	improve the financial base of the College	Establish Income Generating Activities (IGA)	Identified IGA Fabricated cafeteria tender document	Market the college IGA activities Fabricate the cafeteria Manage the IGA Prepare and print tender documents	established the following IGA <ul style="list-style-type: none"> • sale of tender documents • sale of foodstuffs in the college cafeteria • part-time computer packages
adequate, competent and highly motivated staff	ensure the staff are adequate, competent and highly motivated	Recruit qualified staff	Advertised positions List of the shortlisted candidate Skills gap analysis	Advertise position for BOG staff Liaise with the PSC for meeting gaps in teaching staff	advertisement, short listing and recruitment of the following positions were done
collaborations and linkages	Enhance collaborations and linkages	Strengthen existing collaborations and linkages	MoU List of industries the college is collaborating with list of students attached to those industries	Identify industries to collaborate with Attach students to those industries MoU with the industries	Developed collaboration with following companies where our college trainee can be attached and also offered internship

Laikipia East Technical & Vocational College
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increase the infrastructure	Upgrade and increase the infrastructure	Improve the physical facilities and equipment	Budget for the project Approved BQ Project management committee	prepare budget for the project prepare BQs for project manage the project	fabricated Building and Electrical Engineering workshop/sheds F&B workshop (Kitchen and restaurant physical structure) created more office space by partitioning the proposed boardroom
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VII. Corporate Governance Statement

Laikipia East Technical & Vocational College corporate objective is to provide quality technical and vocational training to its trainees. This will do by using innovation, training and community outreach as prescribed by the mission statement and through the discovery, development and conversion of talent and natural resources, and the provision of innovative customer and market-focused academic programmes.

Corporate Governance Principles

In pursuit of the corporate objective, we have committed to the highest level of governance and strive to foster a culture that values and rewards exemplary academic excellence within clear ethical standards, personal and corporate integrity and respect for others. The Board of governor governance role, basis and conduct of business are guided by the constitution of Kenya 2010, TVET act of 2012, Mwongozo Code, 2015.

It is our view that governance is not just a matter for the board; a good governance culture must be percolated through the institution system. The current social-economic, business and political environment in which the institution operates underscores the need for continued high standards of corporate governance and accountability. The emerging realities unmasked with the promulgation and implementation of the new constitution, an enlarged space for expression and a more enlightened clientele, calls for diligence in governance.

Size and composition of the board

The board consists of nine (9) board members who possess extensive experience in a variety of disciplines all of which are applied in the overall management of the institute. The board has the right balance of skills and experience appropriate for the requirements of the institute, all members participated in the decision making and that the board operated effectively throughout the year and continues to do so.

In compliance with the constitution in the council composition in terms of males and female board members was 67% and 33% respectively

Board meetings

The Institute Board meets once in a quarter unless urgent matters call for a special meeting. These regular meetings are intended to receive reports from the committees of Board that will have considered the matters in detail. Members receive adequate notice in advance to enable them review and prepare for the meeting.

During the year, the board held a total of (8) meetings. Individual attendance is tabulated below

S.No	Name	No of meetings attended
1.	Judith Mbetete Mutune	3
2.	Jedidah Wangechi Muthoni	5
3.	Jane Wangari Wanjeru	6
4.	Ndungu K Gakungu	8
5.	Jedidah W Muthoni	6
6.	Rashid Kiguru Abdalla	3
7.	Teresa Mumbi Wambugu	3
8.	M/S Margaret Nduhiu	4
9.	Mr Simon Ngatia	8

Induction and capacity building for Board members

TVETA organized induction of boards for all TVET institutions in the month of May 2019 at Nakuru. The institutions financed the 3 days exercise for their respective BoG members which included their accommodation and transport. The objective of the induction programme was to enhance the understanding of operations carried out in TVET institutions, to ensure the Board participated fully in the induction and has been applying knowledge gained in discharging of its functions.

Board evaluation

The board evaluated itself based on the performance outcome of various activities they oversight.

The evaluation provided Board members with an opportunity to interrogate their performance and point out issues that require the attention of both individual members and the Board as a whole.

The board governs the Institute consistent with the stated strategy indicated in the institute's values of equity, team work, meritocracy, accountability, excellence, and probity all contributing to the governor's commitment to a transparent and high-quality governance system.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The institute is committed to improving the lives of the underprivileged by making contributions of both time and resources to their courses. The board and institute Management has anchored CSR activities its annual & termly programmes under the key result area of community outreach. CSR programmes carried out should be relevant, sustainable and in line with institutions mandate. During the financial year, the institute trainers and trainee participated in several CSR activities

VIII. Management Discussion and Analysis

Operational grants

During the year under review, the institution had an operation budget of kshs. 14,622,400.00. However, the institute managed to realize kshs. 15,702,569.00, surpassing the approved budget by 7.39%. By the end of the financial year under review the college had accumulated bending bills of kshs. 1,486,739.00 Which translate to 9.47% of the approved budget.

Student population

The college enrolled it first group of students in September 2018 and by 30th June 2020 it had grown to a population of 237 students which represented tremendous growth. This was due to the enhance marketing and visibility of the institute making the institution of choice for trainees within the region

IX.Environmental And Sustainability Reporting Statement

Environmental performance

The Institution aims to ensure that the needs of the population are met without the risk of compromising the needs of future generations. The institution commits to reduce environmental impact through greening programme that involves planting of trees and flower during rain seasons. The college also manages various types of waste my setting waste pins at various strategic points within the college.

Our research, teaching and activities are guided by our commitment to environmental sustainability.

We also have a number of Technological areas for our research, teaching, community engagement and processes, allowing us to focus and measure our efforts in making a difference to society.

Employee welfare

Laikipia East Technical & Vocational College focuses on the importance of anyone directly or indirectly involved in the core mandate of training. We encompass the development of skills and human capacity to support the functions and sustainability of the Institution and to promote the wellbeing of communities and society.

There is a Human resource manual that guides on hiring, appraisal and training of staff. This manual also ensures that our staff are trained and well equipped to handle all emerging issues.

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 integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

The college has initiated the following programmes

Activity	Description
Better Training	Optimizing training operations to meet ongoing social and sustainability objectives. Providing opportunities for us to grow as an institute by becoming involved in our local community
Supported Staff	Promoting initiatives that support staff and their families, beyond the provision of employment. Promoting initiatives that recognize the contribution of the students to the community.

Market place practices-

Laikipia East Technical & Vocational College outline its efforts to:

- (a) Responsible competition practice - Our Institution ensures there is responsible competitiveness by making sustainable development count in global and local markets. Through providing courses that suits the markets and that reward business practices that deliver improved social, environmental, and economic outcomes.
- (b) Research on market demand has helped us offer comes that would shape business strategies and practices, and the context in which they operate, to take explicit account of their social, economic, and environmental impacts.
- (c) Responsible Supply chain and supplier relations- In this regard the institution place its adverts for tenders on the daily's and on its website for access to all. Payment to suppliers is done within the limited period of less than Ninety days' other guidelines like President's directive on Special category tender opportunities id adhered to.
- (d) Responsible marketing and advertisement- In order to ensure we have ethical balance; we reach out to students beyond boundaries by advertising on our website and other national media. We also get students placed to college by KUCCPS
- (e) Product stewardship- The Institution ensures that all the courses offered are accredited by the relevant bodies e.g., KNEC, NITA, CDACC. Students are also guided on ethical practices in relation to their professional field.

Corporate Social Responsibility / Community Engagements

Laikipia East Technical & Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on our nine pillars: 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 -

1 The Institution's strategic plan communicates a desire to strengthen our efforts towards sustainability, becoming genuinely world class in how we respond as a tertiary institution. While sustainability has come a long way at the Institution in recent years, we recognize the need to coordinate and scale up our efforts. We will be bold, integrating sustainability principles and practice across all our departments and throughout all our activities: administration and governance, operations, research, teaching & learning, community engagement and outreach activities.

The Institution Strategic Plan 2018 to 2023 sets out the vision, mission, core values and strategic imperatives that guide activities at the Institution. This Strategic plan clarifies our commitment to enable a consistent, productive focus on sustainability, and to better communicate our efforts at all levels of the organization.

It reflects our commitment to see sustainability embedded as part of the core ethos at the Institution, and builds on groundwork and activities underway across the organization.

We work together, celebrate progress where staff and students are already leading the way, and challenge others to consider how sustainability connects to their work, can enhance their practices, and how they can contribute personally to our sustainability transition.

The Office of Sustainability will provide an annual update on the Institution's progress towards sustainability.

X. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the college's affairs.

Principal activities

The principal mission of the Laikipia East Technical & vocational College is to equip trainees with technical & vocational skills for global competitiveness through innovation and technological empowerment

Results

The results of the college for the year ended June 30, 2020 are set out on pages 1 to 5.

Board of Governors

The members of the Board who served during the year are shown on page vi, vii and viii. During the year, there is no member of the board who retired or resigned

Auditors

The Auditor General is responsible for the statutory audit of the college 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
Laikipia East Technical & Vocational College
P.O Box 14- 10129
Mugunda

XI. Statement of Board of Governors Responsibilities

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

The board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (Year) ended on June 30, 2020. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting Year;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the college;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the college;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for the college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The board members are of the opinion that the college's financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30, 2020, and of the college's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

Laikipia East Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June, 2020

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

Approval of the financial statements

The college's financial statements were approved by the Board on **12/10/2020** and signed on its behalf by:

Name Ndungu K Gakungu

Name **Simon N Ngatia**.

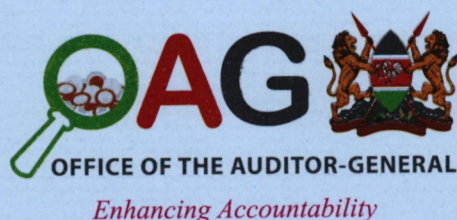
Signature. 

Signature..... 

Chairperson of the Board

Accounting Officer/Principal

REPUBLIC OF KENYA



Telephone: +254-(20) 3214000
E-mail: 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 LAIKIPIA EAST TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Laikipia East Technical and Vocational College set out on pages 1 to 22, which comprise of the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Laikipia East Technical and Vocational College as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Receipts in the Bank Statement not in the Cash Book

Note 14 to the financial statement reflects a balance of Kshs.825,498 in respect to cash and cash equivalent. Excluded from the balance is an amount of Kshs.180,382 in respect of unexplained receipts in the bank statement not in the cashbook. No plausible explanation was given for this exclusion.

In the circumstance, the accuracy and completeness of current account balance of Kshs.825,498 as at 30 June, 2020 could not be confirmed.

2. Unvalued and Disputed Property, Plant and Equipment

Note 16 to the financial statements reflects Kshs.54,547,500 in respect to property, plant, and equipment. However, the College inherited buildings, machinery, office equipment

and furniture and fittings of unknown value from the Ministry of Education, Science and Technology which are yet to be valued and included as part of the College's assets.

Further, included in the property, plant, and equipment balance of Kshs.54,547,500 is an amount of Kshs.3,900,000 in respect to the value of land measuring thirteen 13 acres where the College is located. According to the ownership documents presented for audit, this land is registered in the name of Laikipia East Vocational Institute which is a sole proprietor business name and the process of transferring the land to the College has stalled because Laikipia East Vocational Institute was enjoined in a land dispute case filed in the environment and land court at Nyeri under petition 8 of 2015 where the petitioners being Gatarakwa Farmers limited are claiming compensation for the same parcel of land.

In the circumstances, the ownership, accuracy and completeness of property, plant, and equipment the balance of Kshs.54,547,500 could not be confirmed.

3. Errors in the Financial Statements

The annual report and the financial statements prepared and presented for audit reflects balances that have not been rounded off to the nearest whole number and zeroes represented by "0" instead of "-" contrary to the public sector accounting standards board financial reporting template.

In the circumstances, the financial statements as presented do not fully comply with the reporting format prescribed by the Public Sector Accounting Standards Board (PSASB).

4. Unexplained Variances

The statement of financial performance reflects Kshs.14,672,604 in respect of rendering of services - fees from students while the schedules and ledgers provided for audit reflects Kshs.3,717,205 on the same item resulting to unexplained and un-reconciled variance of Kshs.10,955,399.

In the circumstance, the accuracy and completeness of Kshs.14,672,604 in respect of rendering of services - fees from students could not be confirmed.

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

Key Audit Matters

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

Report of the Auditor-General on Laikipia East Technical and Vocational College for the year ended 30 June, 2020

Other Matter

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.14,622,400 and Kshs.10,846,569, respectively, resulting to an under-funding of Kshs.3,775,831 or 21% of the budget. Similarly, the College spent Kshs.11,641,653 against an approved budget of Kshs.14,622,400 resulting to an under-expenditure of Kshs.2,980,747 or 20% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

The College's financial statements for the year ended 30 June, 2020 were submitted to the office of the Auditor-General on 21 May, 2023, thirty (3) months after the statutory deadline date of 30 September 2020. This is contrary to the provision of Section 47(1) of Public Audit Act, 2015 which requires the fund administrator to submit the financial statements to the Auditor-General within three months after the end of the financial year to which the respective accounts relate.

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

2. Non-remittance of National Hospital Insurance Fund (NHIF) and National Social Security Fund (NSSF)

Note 10 to the financial statements reflects an amount Kshs.1,985,300 in respect of employee costs. However, included in the balance is statutory deductions amounting to Kshs.133,200 that were not deducted and remitted to NHIF and NSSF. This is contrary to Section 19(4) of Employment Act, Cap 226, which provides that an employer who deducts an amount from an employee's remuneration in accordance with the Act shall pay the amount so deducted in accordance with the time period and other requirements specified in the law, agreement, court order or arbitration as the case may be.

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

3.0 Un-Updated Fixed Assets Register

Note 16 to the financial statements reflects a balance of Kshs.54,547,500 in respect to property, plant and equipment as at 30 June, 2019. However, the fixed assets register provided for audit lacked key information including serial numbers of items, condition, dates of acquisition, location, value of the assets, additions for the year, and net book values. The register may not be a reliable document for effective control of assets and preparation of financial statements contrary to Section 72. (1) of the Public Finance Management Act, 2015 which provides that the accounting officer for a National Government entity shall be responsible for the management of the entity's assets and liabilities; and manage those assets in a way which ensures that the National Government entity achieves value for money in acquiring, using, and disposing of those assets.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 3000 and 4000. The standards requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 CONTROL, 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 matter described in the Basis for Conclusion on Effectiveness of Internal Control, 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 control, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Internal Audit Function

Review of the governance structure revealed that the College does not have an internal Audit Function in place contrary to Section 73 (1a) of the Public Finance Management Act, 2012 which provides that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the accounting standards board.

In the absence of this function the institution lacks a mechanism to oversee the development, performance, and effectiveness of internal control over financial reporting, performance, and compliance with laws.

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

Responsibilities of Management and 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 Accruals Basis and for maintaining effective internal control 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 control, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal control, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that control may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 June, 2023

Laikipia East Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June, 2020

XIII. Statement of Financial Performance for the year ended 30 June 2020

	Notes	2019-2020	2018-2019
		kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	1,000,000.00	2,832,875.00
Revenue from exchange transactions			
Rendering of services- Fees from students	7	9,744,604.00	3,599,090.00
Other Income	8	101,965.00	
Total revenue		<u>10,846,569.00</u>	<u>6,431,965.00</u>
Expenses			
Use of goods and services	9	6,981,088.00	2,541,973.00
Employee costs	10	1,985,300.00	1,078,422.00
Remuneration of directors	11	621,500.00	839,500.00
Depreciation and amortization expense	12	1,269,465.00	1,378,035.00
Repairs and maintenance	13	784,300.00	27,010.00
Total expenses		<u>11,641,653.00</u>	<u>5,864,940.00</u>
Net Surplus for the year		<u>-795,084.00</u>	<u>567,025.00</u>

(The notes set out on pages 1 to 26 form an integral part of the Annual Financial Statements).

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

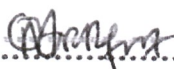
Ndungu K Gakungu



Chairman of Board

Date 12/10/2020

Oliver Mwituri Murungi



Finance Officer

ICPAK No ASSOC/2605

Date 12/10/2020

Ngatiah Simon N



Principal

Date 12/10/2020

Laikipia East Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June, 2020

XIV. Statement of Financial Position as at 30th June 2020

	Notes	2019-2020 kshs	2018-2019 Kshs
Assets			
Current assets			
Cash and cash equivalents	14	825,498.00	1,917,440.00
Receivables from exchange transactions	15	3,096,957.00	1,364,250.00
Total assets		3,922,455.00	3,281,690.00
Non-current assets			
Property, plant and equipment	16	54,547,500.00	55,816,965.00
Total non-current assets		54,547,500.00	55,816,965.00
Total Assets		58,469,955.00	59,098,655.00
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	1,503,014.00	1,336,630.00
Total liabilities		1,503,014.00	1,336,630.00
Reserves			
Retained earnings		2,419,441.00	1,945,060.00
Capital Fund		54,547,500.00	55,816,965.00
Total net assets and liabilities		58,469,955.00	59,098,655.00

The Financial Statements set out on pages 1 to 2 were signed by:


Ndungu K Gakungu



Chairman of Board

Date 12/10/2020

Oliver Mwiti Murungi



Finance Officer

ICPAK No ASSOC/2605

Date 12/10/2020

Ngatiah Simon N



Principal

Date 12/10/2020

Laikipia East Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June, 2020

XV. Statement of Changes in Net Asset for the year ended 30 June 2020

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2018	0.00	0.00	0.00	57,195,000.00	57,195,000.00
Revaluation gain	0.00	0.00	0.00	0.00	0.00
Fair value adjustment on quoted investments	0.00	0.00	0.00	0.00	0.00
Total comprehensive income	0.00	0.00	567,025.00	0.00	567,025.00
Capital/development grants received during the year	0.00	0.00	0.00	0.00	0.00
Transfer of depreciation/amortisation from capital fund to Retained earnings	0.00	0.00	1,378,035.00	(1,378,035.00)	0.00
At June 30, 2019	0.00	0.00	1,945,060.00	55,816,965.00	57,762,025.00
At July 1, 2019	0.00	0.00	1,945,060.00	55,816,965.00	57,762,025.00
Revaluation gain	0.00	0.00	0.00	0.00	0.00
Fair value adjustment on quoted investments	0.00	0.00	0.00	0.00	0.00
Total comprehensive income	0.00	0.00	-795,084.00	0.00	-795,084.00
Capital/development grants received during the year	0.00	0.00	0.00	0.00	0.00
Transfer of depreciation/amortisation from capital fund to Retained earnings	0.00	0.00	1,269,465.00	-1,269,465.00	0.00
At June 30, 2020	0.00	0.00	2,419,441.00	54,547,500.00	56,966,941.00

XVI. Statement of Cash Flows for the year ended 30 June 2020

Description	Note	2019-2020	2018-2019
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	1,000,000.00	2,832,875.00
Rendering of services- fees from students	7	9,744,604.00	3,599,090.00
Other Income	8	101,965.00	0.00
Total Receipts		10,846,569.00	6,431,965.00
Payments			
Compensation of employees	10	1,985,300.00	1,078,422.00
Use of goods and services	9	6,981,088.00	2,541,973.00
Other payments	18	1,405,800.00	866,510.00
Total Payments		10,372,188.00	4,486,905.00
Net cash flow before working capital changes		474,381.00	1,945,060.00
Changes in working capital		1,566,323.00	27,620.00
Net Cash Flows from operating activities	19	-1,091,942.00	1,917,440.00
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		0.00	0.00
Net cash flows used in investing activities		0.00	0.00
Cash flows from financing activities			
Proceeds From Borrowing		0.00	0.00
Repayment Of Borrowings		0.00	0.00
Deposits receipts		0.00	0.00
Net cash flows used in financing activities		0.00	0.00
Net Increase/(Decrease) in Cash and Cash equivalents		-1,091,942.00	1,917,440.00
Cash and Cash equivalents at 1 July	14	1,917,440.00	0.00
Cash and Cash equivalents at 30 June	14	825,498.00	1,917,440.00

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

Ndungu K Gakungu



Chairman of Board

Date 12/10/2020

Oliver Mwiti Murungi



Finance Officer

ICPAK No

Date 12/10/2020

Ngatiah Simon N



Principal

Date 12/10/2020

Laikipia East Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June, 2020

XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2020

	Original budget 2019-2020	Adjustments 2019-2020	Final budget 2019-2020	Actual on comparable basis 2019-2020	Performance difference 2019-2020	% variance
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Government grants and subsidies	2,000,000.00	0.00	2,000,000.00	1,000,000.00	-1,000,000.00	-50
Rendering of services	12,412,400.00	0.00	12,412,400.00	9,744,604.00	-2,667,796.00	-21
Other incomes	210,000.00		210,000.00	101,965.00	-108,035.00	-51
Total income	14,622,400.00	0.00	14,622,400.00	10,846,569.00	-3,775,831.00	-26
Expenses						
Compensation of employees	2,085,600.00	0.00	2,085,600.00	1,985,300.00	-100,300.00	-5
Goods and services	9,651,943.00	0.00	6,600,000.00	6,981,088.00	381,088.00	6
Remuneration of directors	642,857.00	0.00	642,857.00	621,500.00	-21,357.00	-3
Depreciation and amortization expense				1,269,465.00	1,269,465.00	
Repairs and maintenance assets	242,000.00	0.00	242,000.00	784,300.00	542,300.00	224
	2,000,000.00	0.00	2,000,000.00		-2,000,000.00	-100
Total expenditure	14,622,400.00	0.00	14,622,400.00	11,641,653.00	-2,980,747.00	-20
Surplus for the period				-795,084.00		

Budget notes

NB: The explanation of material variances.

The college received grants from the ministry of kshs.1, 000,000.00 instead of the budgeted kshs.2, 000,000.00

The college had made a budget using a population of 220 students which was surpassed by 16 students

The college incurred various recurrent expenditures while establishing various academic units however budgetary constraints hindered the projected activities.

The learning was suspended in the 4th quarter hence creating imbalance in the implementation of the budget

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Laikipia East Technical & Vocational College is established by and derives its authority and accountability from TVET Act of 2013. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal mission of the Laikipia East Technical & vocational College is to equip trainees with technical & vocational skills for global competitiveness through innovation and technological empowerment

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 land and property at fair value and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the college's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the college.

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2020:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<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 the college'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 the college's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<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 college 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> <ul style="list-style-type: none"> (a) the nature of such social benefits provided by the college; (b) the key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the college's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul 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 for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

iii. Early adoption of standards

The college did not early – adopt any new or amended standards in year 2020.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The college 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 the courses offered and the length of the academic programme.

b) Budget information

The original budget for FY 2019/2020 was approved by the Board or Board in Jul, 2019. There was no Subsequent revisions or additional appropriations made to the approved budget

The college budget is prepared on the same basis to the actual income and expenditure. 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.

c) Taxes

Current income tax

The college is exempt from paying taxes as per income tax Act.

d) Investment property

College does not have any investments on properties.

e) Property, plant and equipment

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

Depreciation of assets has been provided at cost of asset regardless of when the asset was bought at the following rates

- a) Land and buildings 2.0%
- b) Furniture and fittings 12.5%
- c) Computers and printers 33.3%
- d) Plant and equipments 12.5%
- e) Other assets 12.5%

f) Leases

The College does not hold any asset under lease.

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

i) 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

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

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

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

j) Nature and purpose of reserves

The College has not maintained any reserves

k) Changes in accounting policies and estimates

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

l) Employee benefits

The college does not have any Retirement benefit plans for its employees and directors

m) Related parties

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

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at various commercial banks at the end of the financial year.

o) Comparative figures

Comparative figures for the previous financial year have not been amended or reconfigured to conform to the required changes in presentation.

p) 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, 2020

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the college's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting Year. 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 Years.

Estimates and assumptions

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

Useful lives and residual values

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

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- (a) The condition of the asset based on the assessment of experts employed by the college
- (b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- (c) The nature of the processes in which the asset is deployed
- (d) Availability of funding to replace the asset
- (e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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6. Transfers from other National Government entities

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Operational grant	1,000,000.00	2,832,875.00
Total Government Grants and Subsidies	<u>1,000,000.00</u>	<u>2,832,875.00</u>

(a) Transfers from other Government entities (Categorized)

Name Of the Entity Sending the Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund. Kshs	Total grant income during the year Kshs	2018-2019 Kshs
MoE	1,000,000.00			1,000,000.00	2,832,875.00
Total	<u>1,000,000.00</u>			<u>1,000,000.00</u>	<u>2,832,875.00</u>

7. Rendering of Services

Description	2019-2020	2018-2019
	KShs	KShs
P. Emolument	1,863,880.00	804,475.00
L.T. T	825,820.00	172,635.00
E.W.C	653,345.00	131,625.00
R.M. I	524,660.00	65,850.00
Admin	978,496.00	1,823,710.00
Insurance	124,865.00	37,600.00
Student welfare	112,860.00	29,980.00
Medical	111,310.00	29,010.00
KNEC	838,780.00	270,000.00
NITA	74,555.00	34,015.00
Attachment	277,427.00	72,420.00
S.E.S/tuition	3,236,386.00	127,770.00
Activity	19,935.00	0.00
Caution	52,350.00	0.00
CID	33,400.00	0.00
DEV	960.00	0.00
Material fees	15,575.00	0.00
Total revenue from the rendering of services	<u>9,744,604.00</u>	<u>3,599,090.00</u>

Rendering of services is the fees from trainees

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8. Other income

Description	2019-2020	2018-2019
	KShs	KShs
Sale of hay grass (bales)	25,000.00	0.00
Sale of tender documents	4,965.00	0.00
Salary recovery due	72,000.00	0.00
Total revenue from other income	101,965.00	0.00

9. Use of Goods and Services

Description	2019-2020	2018-2019
	KShs	KShs
Text books	2,050.00	691,588.00
Equipment's	576,781.00	0.00
Training materials	3,204,061.00	0.00
KNEC	313,870.00	0.00
NITA	34,500.00	0.00
TVETA	33,000.00	0.00
Subsistence allowances	1,015,820.00	0.00
Transport	173,200.00	113,680.00
Hospitality	256,090.00	0.00
Marketing	73,650.00	0.00
KATTI	120,000.00	0.00
Cleaning	44,745.00	0.00
Admin ex	523,411.00	1,723,620.00
Fees refund	103,295.00	0.00
Internet	146,335.00	0.00
Salary advances	75,000.00	0.00
EWC	39,280.00	13,085.00
KUCCPS	246,000.00	0.00
Total use of goods & services	6,981,088.00	2,541,973.00

10. Employee Costs

Description	2019-2020	2018-2019
	KShs	KShs
Trainers	1,542,900.00	1,078,422.00
Non-trainers	213,700.00	0.00
Casuals	228,700.00	0.00
Employee costs	1,985,300.00	1,078,422.00

11. Board Expenses

Description	2019-2020	2018-2019
	KShs	KShs
Chairman's Honoraria	136,000.00	231,500.00
Director's emoluments	205,500.00	73,500.00
Other allowances	280,000.00	534,500.00
Total director emoluments	621,500.00	839,500.00

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12. Depreciation and Amortization expense

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	1,269,465.00	1,378,035.00
Total depreciation and amortization	1,269,465.00	1,378,035.00

13. Repairs and Maintenance

Description	2019-2020	2018-2019
	KShs	KShs
General Repairs	29,620.00	27,010.00
Workshops	754,680.00	0.00
Total repairs and maintenance	784,300.00	27,010.00

14. Cash and Cash Equivalents

Description	2019-2020	2018-2019
	KShs	KShs
Current account	672,734.00	1,917,440.15
Cash at hand	152,764.00	0.00
Total cash and cash equivalents	825,498.00	1,917,440.15

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

		2019-2020	2018-2019
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1222409348	672,734.00	1,917,440.15
Sub- total		672,734.00	1,917,440.15
cash in hand		152,764.00	0.00
Sub- total		152,764.00	0.00
Grand total		825,498.00	1,917,440.15

15. Receivables from Exchange transactions

15(a) Current Receivables from Exchange transactions

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Fees debtors	3,024,957.00	1,364,250.00
Salary advances due	72,000.00	
Total receivables	3,096,957.00	1,364,250.00

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16. Property, Plant and Equipment

Cost	Land	Buildings	Plant and equipment	Computers	Furniture and fittings	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July, 2018	3,900,000.00	51,600,000.00	1,000,000.00	645,000.00	50,000.00	57,195,000.00
Additions						
Disposals						
At 30 th June, 2019	<u>3,900,000.00</u>	<u>51,600,000.00</u>	<u>1,000,000.00</u>	<u>645,000.00</u>	<u>50,000.00</u>	<u>57,195,000.00</u>
At 1 July, 2019	<u>3,900,000.00</u>	<u>51,600,000.00</u>	<u>1,000,000.00</u>	<u>645,000.00</u>	<u>50,000.00</u>	<u>57,195,000.00</u>
Additions						
Disposals						
At 30 th June, 2020	<u>3,900,000.00</u>	<u>51,600,000.00</u>	<u>1,000,000.00</u>	<u>645,000.00</u>	<u>50,000.00</u>	<u>57,195,000.00</u>
Depreciation and impairment						
At 1 st July, 2019	<u>0</u>	<u>1,032,000.00</u>	<u>125,000.00</u>	<u>214,785.00</u>	<u>6,250.00</u>	<u>1,378,035.00</u>
Depreciation	0	1,011,360.00	109,375.00	143,262.00	5,469.00	1,269,465.00
Disposals						
Depreciation						
At 30 th June, 2020	<u>0</u>	<u>2,043,360.00</u>	<u>234,375.00</u>	<u>358,047.00</u>	<u>11,719.00</u>	<u>2,647,500.00</u>
Net Book Values						
At 30 th June, 2019	<u>3,900,000.00</u>	<u>50,568,000.00</u>	<u>875,000.00</u>	<u>430,215.00</u>	<u>43,750.00</u>	<u>55,816,965.00</u>
At 30 th June, 2020	<u>3,900,000.00</u>	<u>49,556,640.00</u>	<u>765,625.00</u>	<u>286,953.00</u>	<u>38,281.00</u>	<u>54,547,500.00</u>

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Valuation

Land and buildings have not been valued

15 (6) 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	3,900,000.00		3,900,000.00
Buildings	51,600,000.00	2,043,360.00	49,556,640.00
Plant And Machinery	1,000,000.00	234,375.00	765,625.00
Motor Vehicles including Motorcycles			
Computers and Related Equipment	645,000.00	358,047.00	286,953.00
Office Equipment, Furniture, And Fittings	50,000.00	11,719.00	38,281.00
Total	<u>57,195,000.00</u>	<u>2,647,500.00</u>	<u>54,547,500.00</u>

17. Trade and Other Payables from Exchange transactions

Description	2019-2020	2018-2019
	KShs	KShs
Trade payables (KUCCPS)	246,000.00	599,425.00
Fees paid in advance	607,014.00	87,205.00
Other payables (mentoring institute)	650,000.00	650,000.00
Total trade and other payables	<u>1,503,014.00</u>	<u>1,336,630.00</u>

18. Other Payments

Description	2019-2020	2018-2019
	KShs	Kshs
Board Expenses	621,500.00	839,500.00
Repairs and maintenance	784,300.00	27,010.00
Total other payments	<u>1,405,800.00</u>	<u>866,510.00</u>

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19. Cash generated from operations

Description	2019-2020	2018-2019
	Kshs	Kshs
Surplus for the year before tax	474,381.00	1,945,060.00
Working Capital Adjustments		
Increase in Inventory		
Increase in Receivables	-1,732,707.00	(1,364,250.00)
Increase in Deferred Income		
Increase in Payables	166,384.00	1,336,630.00
Increase in Payments received in advance		
Net Cash Flow from Operating Activities	-1,091,942.00	1,917,440.00

20. Financial Risk Management

The college's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The college'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 college 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 college's financial risk management objectives and policies are detailed below:

(i) Credit risk

The college 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.

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 board of governor. The amounts presented in the statement of financial position have not been subjected into provision of doubtful receivables as most its customers are continuing trainees

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June, 2018				
Receivables from exchange transactions	1,364,250.00	1,364,250.00		
Receivables from non-exchange transactions				
Bank balances	1,917,440.00	1,917,440.00		

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Total	3,281,690.00	3,281,690.00		
At 30 June, 2020				
Receivables from exchange transactions	3,096,957.00	3,096,957.00		
Receivables from non-exchange transactions				
Bank balances	825,498.00	825,498.00		
Total	3,922,455.00	3,922,455.00		

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 college has significant concentration of credit risk on amounts due from 120 days.

The board of governors sets the college'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 college's board of governor, who have built an appropriate liquidity risk management framework for the management of the college's short, medium and long-term funding and liquidity management requirements. The college manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the college 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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2019				
Fees paid in advance	599,425.00			599,425.00
Trade payables	87,205.00			87,205.00
Other payables (mentoring institute)	650,000.00			650,000.00
Total	1,336,630.00			1,336,630.00
At 30 June 2020				
Fees paid in advance	246,000.00			590,739.00
Trade payables	607,014.00			246,000.00
Other payables (mentoring institute)			650,000.00	650,000.00
Total	853,014.00		650,000.00	1,503,014.00

(iii) Market risk

The college has put in place strong internal controls to assist it in assessing the risk faced by the college 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 and foreign exchange rates which will affect the college's income. 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 college's Finance Department is responsible for the development of detailed risk management policies and for the day-to-day implementation of those policies.

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

Foreign currency risk

The college has no transactional currency exposures as it has not been purchasing goods and services in currencies other than the local currency.

Interest rate risk

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

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iv) Capital Risk Management

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

Description	Year ended June 30 th 2020	Year ended June 30th 2019
	Kshs	Kshs
Revaluation reserve		
Retained earnings	2,419,441.00	1,945,060.00
Capital reserve	54,547,500.00	55,816,965.00
Total funds	56,966,941.00	57,762,025.00
Total borrowings		
Less: cash and bank balances	825,498.00	1,917,440.00
Net debt/ (excess cash and cash equivalents)	825,498.00	1,917,440.00
Gearing	1	3

21. RELATED PARTY BALANCES

Nature of related party relationships

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

- i) The National Government;
- ii) The Parent Ministry; ministry of education
- iii) Laikipia East CDF
- iv) Local community
- v) Laikipia County Government
- vi) College Top management and trainers;
- vii) Board of Governors;
- viii) College trainees, sponsors and guardians.

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

Description	2019-2020	2018-2019
	KShs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Govt	1,000,000.00	2,000,000.00
Mentor Institute		832,875.00
Total	1,000,000.00	2,832,875.00

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Description	2019-2020	2018-2019
	KShs	Kshs
b) Expenses incurred on behalf of related party		
Payments of salaries and wages for BoG employees	1,985,300.00	1,078,422.00
Total	<u>1,985,300.00</u>	<u>1,078,422.00</u>
c) Key management compensation		
Directors' emoluments	621,500.00	839,500.00
	<u>621,500.00</u>	<u>839,500.00</u>
Total	<u>3,606,800.00</u>	<u>4,750,797.00</u>

22. EVENTS AFTER THE REPORTING YEAR

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

23. ULTIMATE AND HOLDING COLLEGE

The college is a under the Ministry of Education. Its ultimate parent is the Government of Kenya

24. CURRENCY

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

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XIX. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

.....


Name. Mr Ngatiaah Simon Nderitu.
Designation. Principal/CEO
Date

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Appendix II: Projects Implemented by Laikipia East Technical & 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						
2						

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1						
2						
3						

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Appendix IV: Reporting of Climate Relevant Expenditures

Name of the Organization: Lalkipia East Technical & Vocational College
 Telephone Number: 0713380692

Email Address: 14- 10129 Muugunda

Name of CEO/Principal: Mr Ngatiah Simon Nderitu.

Name and contact details of contact person: Mr Ngatiah Simon Nderitu. Phone No 0713380692

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

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Appendix V: Disaster Expenditure Reporting Template

Date: 30th June, 2019

Entity: Laikipia East Technical & Vocational College

Period to which this report refers (FY)	Year	Quarter				
Name of Reporting Officer						
Contact details of the reporting officer:	Email	Telephone				
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments