

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 03 JUN 2025

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MAJORITY PARTY

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PARLIAMENT
OF KENYA
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THE AUDITOR-GENERAL

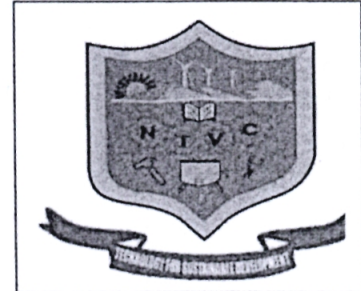
ON

**NGONG TECHNICAL AND VOCATIONAL
COLLEGE**

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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NGONG TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2023

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

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

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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in Ngong TVC

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2. Key Information and Management

(a) Background information

Ngong Technical and Vocational College (NTVC) is a public Technical and Vocational Education and Training (TVET) Institution established under the Ministry of Education, State Department for Technical and Vocational Training. The Institution was established under the TVET Act, 2013 in the year 2018. The entity is domiciled in Kenya and situated in Kajiado County, Kajiado North Constituency in Ngong town, about 23 km from Nairobi Central Business District. The College is governed by a Board of Governors appointed by the Cabinet Secretary for Education. It consists of six (6) academic and three (3) non-academic departments as listed below;

Academic includes:

1. Electrical and electronics
2. Building and Civil Engineering
3. Applied science
4. Hospitality
5. ICT
6. Business

Non-Academic:

1. Administration
2. Guidance & Counselling
3. Industrial Liaison Office (ILO)

(b) Principal Activities.

Mission

To be the International Center of Excellence in Technical and Vocational Training.

Vision

To produce competent and innovative manpower in Technical and Vocational disciplines to meet the dynamic needs of industry and society.

Core Values:

- Accountability
- Excellence
- Innovativeness
- Integrity
- Professionalism

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➤ Team work

Key Entity Information and Management (Continued)

(c) Key Management

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

- Board of Management
- Accounting officer/ Principal
- Management Team
- Trainers
- BOG staff

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Teresia Mutuku
3	Deputy principal Academics	Dr Godfrey Mute
4	Registrar (s)	Mary Muthoni Njogu
5	Dean of students	Alice Wangari Maina
6	Head of Finance	Bahati Wamae Nyaga

(e) Fiduciary Oversight Arrangements

• **Finance, Administration and Infrastructure Board Committee.**

Their role is to ensure that:

- (i) Accurate and complete financial records are prepared.
- (ii) Accurate, timely and meaningful financial statements are prepared and presented to the board.
- (iii) The board understands the organization's finances.
- (iv) Financial problems are anticipated and budgeted for.

• **Education, Training and Research Board Committee.**

Their role is to ensure that:

- (i) Members of the committee give their suggestions and directions for the smooth running of the college in the academic aspect;
- (ii) The academic and other related activities of the institute are reviewed;
- (iii) The students and departmental development programs are reviewed;
- (iv) Prospective plans for the development and growth of the institute are visualized and formulated;

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- (v) The Academics Calendar and Class Routine for the institute are prepared and reviewed;
- (vi) The institute Prospectus is reviewed and updated;
- (vii) Research and extension activities in the institute are promoted;
- (viii) There is a plan for sustaining the quality of education, quality improvement and accreditation of the institute;
- (ix) Vigilance on the attendance of teachers and regularity in taking the classes;
- (x) Students' attendance/malpractices in examinations are reviewed;
- (xi) The internal examinations/evaluation/recording are well carried out;
- (xii) Disciplinary action is taken towards students who violate and disobey the institute rules.

(d) Headquarters

P.O. Box 1170-00208
Kajiado-North Constituency
Ngong Hills
Kenya

(e) Contacts

(+254) 77810129
E-mail: ngongtvc@gmail.com
info@ngongtvc.ac.ke
Website: www.ngongtvc.ac.ke

(f) Bankers

Cooperative Bank Ngong branch
P.O. Box 48231-00100
NAIROBI.

Kenya Commercial Bank
Ngong Branch.
P.O.Box 3036-20143
NGONG.S

(g) Independent Auditors

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

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Key Entity Information and Management (Continued)



(h) Principal Legal Adviser

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



NGONG TVC

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3.The Board of Governors

SN.	Member	Details
1.	 <p>Dismas Oyieko DoB 26/03/1959 MSc (Development Finance) University of Birmingham (U.K)</p>	<p>Dismas Oyieko is the chairman of the Board of Governors and an independent member of the board. He holds a Masters Degree, MSc (Development Finance) University of Birmingham (U.K), and Bachelor's Degree, Bcom (Accounting Option) from the University of Nairobi.</p> <p>Dismas has attended various courses among them performance Contracts, The Future of DFIs in the Emerging Markets, Results Based Management & Performance Appraisal Systems, Corporate Governance, Customer Service Courses, Management Development Courses and Organization and Methods study skills.</p> <p>He has worked at Industrial and Commercial Development Corporation (ICDC) where he held senior positions namely; Loans and Investments Manager, Investments Manager, Equity Manager, Corporate Planning Manager and Principal Organization and Methods Officer.</p>
2.	 <p>Olivia Ondogo DOB 1962</p>	<p>Olivia Ondogo is the County director Kajiado-Narok and ministry representative in the board. She holds a PHD in strategic management, Master in education-education administration option and MBA in marketing management with a bachelor's of education (arts) in economics and commerce as well as a diploma in education (Humanities)</p> <p>In her career, she has served many position as a teacher, lecturer and director in various cadres of education among many others. She was an asset to Ngong TVC board and through her guidance the board was able to achieve a lot.</p>




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3.	 <p>Jane Wanjiru Gichuki DoB: 14th April 1976 MBA at Strathmore Business School</p>	<p>JANE WANJIRU GICHUKI is an independent member of the board serving in the finance, infrastructure and administration committee. She holds MBA at Strathmore Business School</p> <ul style="list-style-type: none"> • Bachelor of Commerce – Accounting option, Strathmore University, 2008 • CPA (K), Strathmore University, 1999 • CPS – Certified Public Secretary – Part 2. <p>Her work experience is as follows;</p> <ul style="list-style-type: none"> • Independent Financial consultant – January 2020 – Current focusing on SMEs and on the following areas: Finance and Accounting, strategic management and human capital management. • Career Directions Limited – June 2019 to December 2019: Financial consultant; Reporting to the Group CEO • Symbion Group, January 2012 – May 2019; Group Finance Director; Reporting to the Kenya School of Law- Post-Graduate diploma in Law Board of Directors. • She has also worked as group chief accountant, finance manager, senior accountant and also accounts assistant in various companies.
4.	 <p>Dennis Cheruiyot Bett DOB: 27TH October 1992 B.SC. Telecommunication Strathmore university.</p>	<p>Mr. Dennis Cheruiyot Bett is an independent member of the Board, he is a member of the human resource committee. He holds a bachelor's science degree in Telecommunications from Strathmore university.</p> <p>He currently works at the Deed Digital Solutions LTD (Computer Hardware and Software) as a Co-Founder and Director. He previously worked at Expava Group Limited (Digital Marketing and Customized Software Solutions) as a Founder and CEO, Liquid Telecommunications Limited (Kenya) as an Internet Protocol Intern also at Green Credit Group Limited as an Information Technology Intern. While in Strathmore university he was a career ambassador</p>

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<p>5.</p>	 <p>Maureen Mwende Cosmas DOB: 29th August 1990 Bachelor's Degree in LLB</p>	<p>Maureen Mwende is an independent member of the board, serving in the finance, infrastructure and administration committee, also the academic and human resource committee.</p> <p>She went to Moi University and pursued a Degree in LLB and joined Kenya School of Law-Post-Graduate diploma in Law, she is currently pursuing her Master of Laws, (LLM in International Corporate Financing) in Strathmore university.</p> <p>Her work experience is as follows; She currently works as a Legal Researcher, High Court-Environment and Land Court Division, She is also the current Board Member, PAMBIO Kenya Non-Governmental Organisation. She has completed a Certified Secretaries Course She has training on Labour laws and industrial relations by Federation of Kenyan Employers (FKE) She has worked in various legal firms; i.e. Senior Associate Advocate, Head of Litigation, Mbaluka & Company Advocates (2019 – 2021). 2018-2019 Legal and Compliance Manager, PCM Holdings Kenya Limited, 2015 - 2018 Legal Officer, Mabati Rolling Mills (MRM).</p>
<p>6.</p>	 <p>Teresia Mutuku DO: 26/12/1969 M.ED Administration & Management</p>	<p>TERESIA MUTUKU is the executive member of the board serving as the secretary.</p> <p>MA Education Administration & Management Bachelor Arts (Insurance) Post Graduate Diploma in Personnel Management PGDE</p> <p><i>She is non-member of ICS.</i></p>
<p>7.</p>		<p>JANET WERE is an independent member of the board serving in the audit committee and academic and human resource committee.</p> <p>She holds a bachelor's degree of education Arts from Kenyatta university and a higher diploma in human resource.</p> <p>Her work experience is as follows;</p>




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	 <p>Janet Were DOB: 3rd December 1972 B.ED Arts Kenyatta University</p>	<p>She currently works as the Branch Manager at Victoria Commercial Bank. She has served in banking industry for more than 27 years in various capacities. She has served as a member of Board Of Management in Adiedo Mixed Secondary School and a PTA member in The Kenya High School.</p>
8.	 <p>Rev. Fr. John Ntiseyia Nokoret DoB: 1st January 1967 Theology at St. Thomas Aquinas Major Seminary</p>	<p>REV. FR. JOHN NTISEYIA NOKORET, is an independent member of the board serving in the audit committee. He is the priest in charge of St Joseph Cathedral Ngong He studied theology at St. Thomas Aquinas Major Seminary Lang'ata, philosophy at St Augustine Seminary- Mabanga and St. Mary's Seminary – Molo for a Spiritual Year Has served in the catholic church as:</p> <ul style="list-style-type: none"> • Catholic Diocese of Ngong (Vicar General/Moderator) Diocese of Ngong • Secretariat, Priest in Charge St Barnabas Matasia Parish, Diocese of Ngong • Secretariat- Vicar 2, Priest in Charge St Mary's Kiserian Parish, • Priest in Charge Lemek Parish, Kilgoris Parish (Assistant Priest) <p>He was Ordination Deaconate – January 9th 2000 Priesthood -August 19th 2000.</p>
9.	 <p>Herman Kinyua Njagi DoB: 10th October 1962</p>	<p>HERMAN KINYUA NJAGI is an independent member of the Board serving in the finance, infrastructure and administration committee and audit committee. He is a registered architect, and corporate Member of Architectural Association of Kenya. (MAAK). Registered as Lead Expert – NEMA. He has a master of art (project planning management from The University of Nairobi, bachelor's degree of architect (JKUAT), Building Construction Technician parts I II & III (JKCAT) and Kenya Certification of Education (KCE). Career and experience: Currently works as a principal superintending architect</p>


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		<p>state department for public's works. He has worked in various positions i.e.: Chief Superintending Architect (Ministry of Land, Housing and Urban Development), County Works Officer – Tana River County, Provincial Architect - Central Province, Architect - Ministry of Roads and Public Works, Assistant Architect - Ministry of Roads and Public Works, and Inspector Building - Ministry of Roads and Public Works.</p>
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4. Key Management Team

<i>SN.</i>	<i>Member</i>	<i>Details</i>
1.		<p>The Principal & Secretary of the Board MA Education Administration & Management Bachelor Arts (Insurance) Post Graduate Diploma in Personnel Management PGDE</p>
2.	 Dr. Godfrey Ngunyi Mute	<p>Deputy Principal PhD: Business Administration: Human Resource Management; University of Nairobi Masters Business Administration; Bachelors of Education from the University of Nairobi Post Graduate Diploma in Personnel Management PGDE. Diploma in education: Kenya Science</p>
3.	 Mary Muthoni Njogu	<p>Registrar. Bachelor in Business Information Technology (BBIT). Diploma in Technical Education (Computer Studies, EP)</p>

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4.	 Alice Wangari Maina	Dean of Students M A Religious Education Bed Arts in Counselling
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5. Chairman's Statement

Ngong' Technical and Vocational College is one of the new TVET colleges that have been established by the Government of Kenya in order to increase access to competency-based skills training for the growing number of youths coming out of our schools. The pursuit of Vision 2030 can only become a reality if the country is able to produce adequate personnel with appropriate skills needed to achieve sustained growth in all sectors of the economy.

Therefore, members of the Board of Governors are sincerely grateful to the Government of Kenya for responding positively to the long-held desire of Kajiado North community to establish this magnificent college within the rapidly growing Ngong Town. The Government has enabled the college to achieve rapid student enrolment by providing basic training equipment and posting qualified trainers with diverse skills needed to offer quality training in various technical disciplines. The trainers while working under the leadership of the Principal have been able to initiate demand driven training programs that have attracted a large number of trainees thereby increasing enrolment from less than 350 to 670 in just two years. This growth has necessitated urgent need for additional equipment along with classrooms and training labs/workshops. It is important to note that this kind of increase in trainee population would not have been possible without the support of Kenya Universities and Colleges Student Placement Service (KUCCPS) as well as capitation grants from GoK and loans granted to needy trainees by the Higher Education Loans Board (HELB).

It is the responsibility of the Board of Governors (BoG) to approve the annual budget and then provide oversight in revenue collection and disbursement of funds to meet the expenses incurred in institutional development and day to day operations as laid out in the procurement plan for any given year. The sum total of all financial transactions for a given budget are contained in the Annual Financial Report which must be approved by the Board before it is submitted to all relevant organs of Government. Therefore, it is for this reason that I take this opportunity, on behalf of the Board of Governors of Ngong TVC, to authorize the submission of this Financial Report for 2022/2023 and all the adjoining financial statements in accordance with the requirements of the Public Finance Management Act 2012 and the TVET Act 2013. As I do so, I also take this opportunity to thank the principal and any other staff who have participated in its preparation either

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directly or indirectly as well as members of the BoG who have sacrificed their valuable time, energy and other resources to bring this college to where it is currently.

In conclusion, I cannot fail to recognize and appreciate the goodwill and support we have received from the local leadership by way of advice and bursary for needy students, especially the Area Member of National Assembly and the Member of County Assembly as well as the Catholic Church Diocese of Ngong for setting aside part of the land on which the TVC is located. I cannot forget to thank the Governor of Kajiado County who has demonstrated to be a true friend of the College by always opening doors and ears to hear our challenges and concerns whenever we seek an audience with him. It is for this reason that he ordered and financed the relocation of the dumping site that was not only an eye sore and a health hazard but also occupied a large part of the land earmarked for the College. I, therefore, say a big THANK YOU to him on behalf of Board members, Principal, the staff and trainees of Ngong TVC.



Dismas Oyieko
BOG Chairperson

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6. Report of the Principal

Ngong Technical and Vocational College (NTVC) is a public Technical and Vocational Education and Training (TVET) Institution under the Ministry of Education, State Department for Technical and Vocational Training. The Institution was founded in 2018 and is situated in Kajiado County, Kajiado North Constituency in Ngong town, about 23 km from Nairobi Central Business District.

The Institute's land is five acres which was donated to the Government of Kenya by the Catholic Church to be used for public utility as a TVET Institution in the year 2016. The title of the land which is jointly owned by the Church, Ngong TVC, Ngong Township Secondary and Primary School remains in the name of the Catholic Church. The institute has an allotment letter.

The Government of Kenya and Kajiado-North Constituency Development Fund (CDF) provided grants which were used to construct the Administration cum Tuition Block. GOK in conjunction with China Government equipped and installed laboratories and workshops with Agriculture Value Addition Equipment and the college opened its doors in 2019.

Ngong TVC is a Government middle level Technical and Vocational College. It is established under the Ministry of Education (TVET Act 2013). It offers a variety of courses at Diploma, Craft, Artisan and Trade levels. Ngong TVC operates under TVET Act as stipulated in the laws of Kenya. The Institute's operations are carried out in accordance with the Government policies and procedures as spelt out in official documents and circulars.

To strengthen the management of the Institute, the Board of Governors has employed a number of staff in various sections of tuition, support and Security. Current population is as follows;

- PSC teaching staff, Twenty-six (26)
- BOG teaching staff, Four (4)
- BOG non-teaching staff, Three (3)
- Student enrolment is six hundred and seventy (670). Students are all day scholars.

Ngong TVC vision is to be The International Centre of Excellence in Technical and Vocational Training.

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The institute believes in team work, professionalism and integrity. Ngong TVC boast of highly qualified staff who are also offered opportunities to upgrade their skills on a continuous basis in order to keep abreast with the changing technology.



Mrs Teresia Mutuku
Principal Ngong TVC

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7. Statement of Performance against Predetermined Objectives

Ngong Technical & Vocational College develops its annual work plan based on 4 strategic pillars as outlined in the table below. Assessment 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 2022/23 period for its 4 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar / theme / issue 1. Financial sustainability	Aims at Improving Efficiency through cutting costs leading to reduced wastage of resources.	1. Calculation of ratios 2. Enrolment 3. Increase of Public service trainers	1. Marketing 2. Increase in enrolment of trainee 3. request letter from the ministry	1. 200% Increase in enrolment
Pillar / theme / issue 2. Academic sustainability	Aims at Improving Efficiency through cutting costs leading to reduced wastage of resources.	1. Enrolment 2. Exams performance 3. Increase of number of courses.	-The sustainability of the educational results (occupational standards, curricula, teaching and learning materials, assessment tools) is guaranteed as we adhere to the regulations and procedures set by TVETA and TVET-CDACC as far as TVET-level programs are concerned. -The institution has also invested in blended learning to ensure continuity in training and learning.	1. 200% Increase in enrolment 2. Introduced Hospitality Section
Pillar / theme / issue 3. Technical and environmental sustainability	Focuses on applying sustainability principles and practices within the structures, philosophies and services, learning processes and physical sites.	1. Additional buildings 2. Tidiness of environment 3. Planted flowers	-The Institute has employed key environmental strategies, e.g. planting of trees and also using best practices in waste disposal.	1. Clearing of dump site 2. Building classrooms 3. Planting flowers
Pillar / theme / issue 4. Organizational and	Focuses on institution developing meaningful collaborations and partnerships with the		- The institute policy guidelines on integrating sustainability principles and practices across	

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institutional sustainability	private sector and the industry.		<p>all departments and throughout all our activities: administration and governance, operations, research, teaching & learning and community engagement.</p> <p>- We have a commitment to see sustainability embedded as part of the core ethos at the Institution. The Sustainability office is working closely with management and provides an annual update on the Institution's progress towards sustainability.</p> <p>- Investing in sustainability has ensured a better environment, benefit from healthier and safer working conditions and have positioned the institution to have a competitive advantage over others.</p>	
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(Under this section therefore, the management should include performance against the strategic objectives of the institution. The management should outline the strategic Pillars, activities towards their achievement and outputs under each strategic pillar. The institution should also briefly outline how they have tied achievements to performance contracts)

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8. Corporate Governance Statement

BOG MEETING SCHEDULE FY 2022/2023		
S/N	DATE	PURPOSE
1	26/9/2022	Education, Training & Infrastructure Committee meeting
2	27/9/2022	Finance, Administration and Infrastructure Committee meeting
3	28/9/2022	Full board
4	5/10/2022	Selection committee
5	21/10/2022	Full board
6	4/11/2022	PMC Committee meeting
7	10/11/2022	PMC Committee meeting
8	30/01/2023	Full board- Inauguration
9	23/2/2023	Full board - Committee Selection
10	22/03/2023	Education, Training & Infrastructure Committee meeting
11	30/03/2023	Finance, Administration and Infrastructure Committee meeting
12	13/04/2023	Full board

APPOINTMENT OF THE BOARD MEMBERS

The appointment of the Board of Governance is done in accordance with the second schedule of the Technical and Vocational Education and Training (TVET) ACT No.29 of 2013. The appointing authority is the Cabinet Secretary and it is in accordance with Section 28 (3) and the second Schedule Part (1) and (2) (a) of the TVET Act. The term of office is three (3) years effective from the date of letter of appointment.

ROLE AND FUNCTIONS OF THE BOARD

The role and functions of the Board of Governors is to:

- (a) Oversee the conduct of education and training in the institution in accordance with the provisions of the TVET Act and any other written law.
- (b) Promote and maintain the standards, quality and relevance in education and training in the institution in accordance with the TVET Act and any other written law.
- (c) Administer and manage the property of the institutions.

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- (d) Develop and implement the institutions' strategic plan.
- (e) Prepare annual estimates of revenue and expenditure for the institution and incur expenditure on behalf of the institution.
- (f) Approve the Institution's budget and procurement plans.
- (f) Receive, on behalf of the institution, fees, grants, subscription, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons.
- (g) Determine the fees payable and prescribe conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this act.
- (h) Mobilize resources for the institution.
- (i) Develop and review programmes for training and to make representation thereon to the TVET board.
- (j) Regulate the admissions and exclusion of students from the institution, subject to a qualification framework and the provisions of the TVET Act.
- (k) Approve collaboration or association with other institutions and industries inside and outside Kenya subject to prior approval by the TVET board.
- (l) Recruit and appoint trainers from among qualified professionals and practicing trade's persons in relevant sectors of industry.
- (m) Determine suitable terms and conditions of service for support staff, trainers and instructors and remunerating all the staff in the institution in consultation with the TVET Authority.
- (n) Make regulations governing conduct and discipline of all the staff and the trainees in the institution.
- (o) Prepare comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the TVET board.
- (p) Provide for the welfare of the trainees and staff of the institution.
- (q) Encourage, nurture and promote democratic culture, dialogue and tolerance in the institution.
- (r) Discharge all other functions conferred upon it by the TVET Act or any other written law.

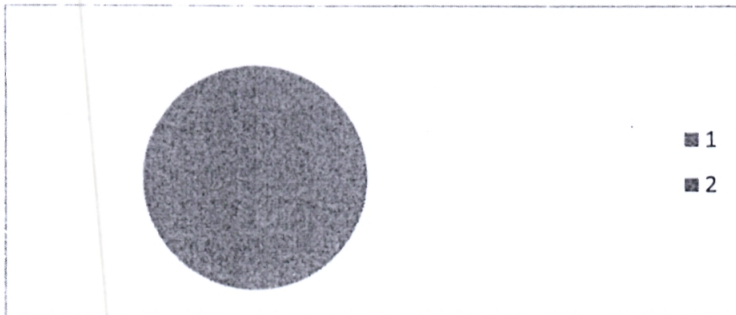
The Board remuneration is done based on attendance of the meetings where they sign the meeting attendance form.

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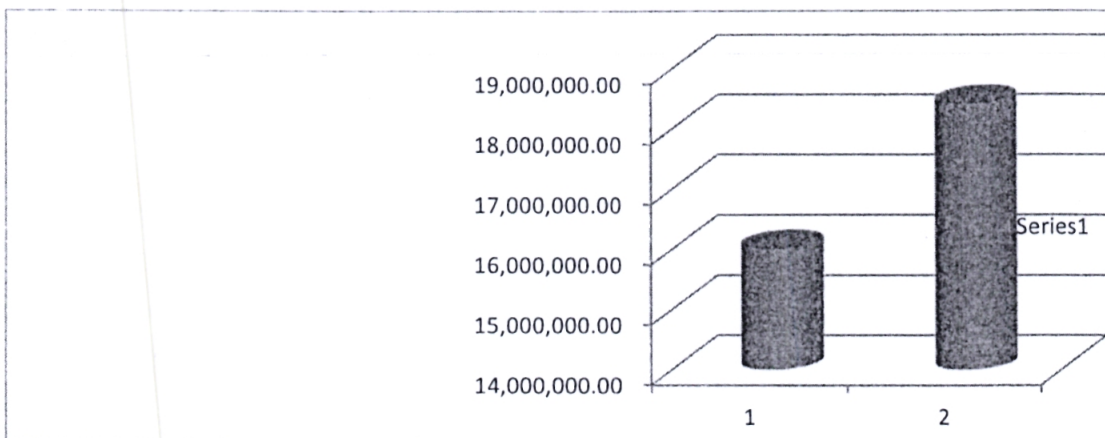
9. Management Discussion and Analysis

The following management’s discussion and analysis provides a comprehensive overview of the financial position of Ngong TVC as at 30th June 2023 and the changes in financial position for the year ended as compared with the financial year 2021/2022. The college annual report includes four basic financial statements namely; the statement of financial performance, the statement of Financial Position, the Statement of cash flow and statement of comparison of Budget and Actual Amount. These statements focus on the financial performance of the college, the changes in financial position, cash flow of Ngong TVC activities and compliance with approved budget respectively.

Revenue from Non Exchange Transaction	
FY 2021/2022	FY 2022/2023
6,270,000.00	6,064,000.00



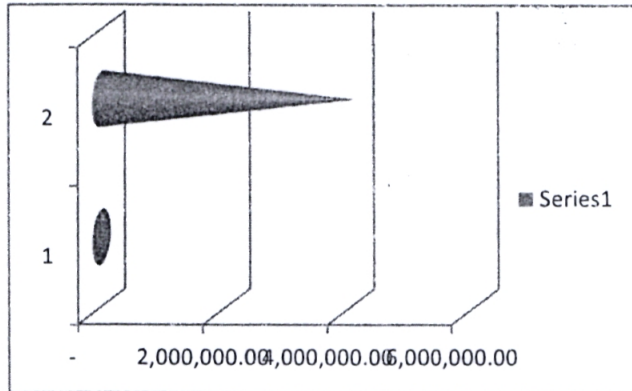
Revenue from Exchange Transaction	
FY 2021/2022	FY 2022/2023
16,015,222.00	18,422,775.00



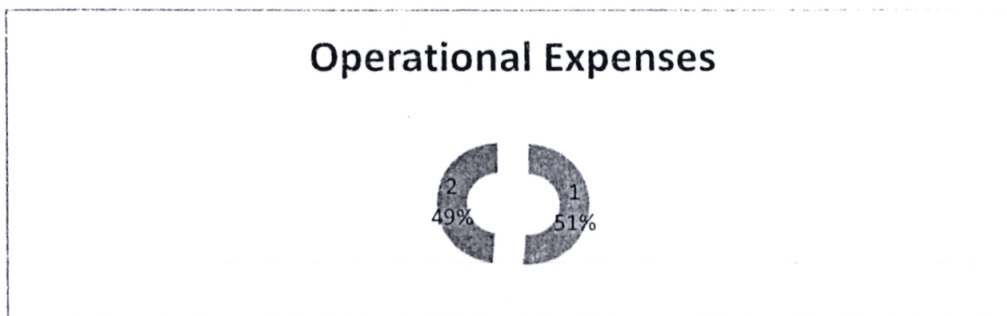
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Other Income

FY 2021/2022	FY 2022/2023
136,000.00	4,082,525.00



Operational Expenses	
FY 2021/2022	FY 2022/2023
15,901,460.00	14,977,798.50



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10. Environmental and Sustainability Reporting Statement

(a) Sustainability strategy and profile

Ngong 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, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

The Institution's strategic plan communicates a desire to strengthen our efforts towards sustainability. The strategic objectives are:

1. Achieving financial sustainability
2. Achieving technical and environmental sustainability
3. Achieving academic sustainability and
4. Achieving organisational and institutional sustainability

Financial sustainability aims at Improving Efficiency through cutting costs leading to reduced wastage of resources.

Academic Sustainability aims at sustaining results at the level of education, training and research. The sustainability of the educational results (occupational standards, curricula, teaching and learning materials, assessment tools) is guaranteed as we adhere to the regulations and procedures set by TVETA and TVET-CDACC as far as TVET-level programs are concerned. The institution has also invested in blended learning to ensure continuity in training and learning.

Technical and environmental sustainability focuses on applying sustainability principles and practices within the structures, philosophies and services, learning processes and physical sites. Ngong TVC has employed key environmental strategies, e.g. on the use of environmentally friendly technologies such as rain water harvesting and also using best practices in waste management.

(b) Market place practices-

A research on market demand has helped the institution offer courses 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. There has been increased level of engagement with high schools and the general public as the source of our new trainees and for increase in the awareness of the existence of Ngong Technical & Vocational College as a TVET institution of choice in the region and beyond.

Ngong Technical and Vocational College
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High school and church visits have given opportunities for career guidance. These opportunities have a direct impact on the trainees and parents where information is shared. Use of Social media; Website, Facebook, WhatsApp and Twitter are a continuous source of critical information for our customers.

In regard to responsible Supply chain and supplier relations, the institution places its advertisements 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 and other guidelines like Presidential directive on Special category tender opportunities are adhered to.

The Institution ensures that all the courses offered are accredited by the relevant bodies for example: KNEC and NITA.

(c) Employee Welfare

Recruitment procedures:

In line with the Constitution 2010 and Employment Act 2007, HRM policies and Staff Establishment are used in providing guidelines for the above procedure.

Fair competition and meritocracy are the guiding principle for all staff appointment and advancement in the Institute. When a vacancy is identified, proper recruitment procedures are followed as per the institute's human resource policy. The institute has so far recruited four BOG trainers in various departments and Letters of appointment issued by the Secretary to the Board.

N/B: Ngong Technical & Vocational College considers the one third gender rule and persons living with disability are given priority in accordance to the labor law.

Corporate Social Responsibility / Community Engagements

The College engaged in cleaning of the Ngong Market in collaboration with other members of the public. Trainees also engage in various tree planting exercises in a bid to give back to the society as well as to abide by the Presidential directive on tree planting.

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

11. Report of the Board of Governors

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

Principal's responsibilities

The principal performs the following responsibilities in ensuring that the institute produces competent and innovative manpower in technical and vocational disciplines to meet the dynamic needs of industry and society.

- Provide a conducive environment for teaching and learning.
- Promote leadership by providing opportunities for students' representation in clubs and classes.
- Provide adequate training materials.
- Adhere to the Government regulations and policies.
- Ensure syllabus coverage by optimizing time utilization.
- Ensure all industrial attachees are posted and assessed.
- Ensure standard evaluation through continuous assessment tests and examination.
- Conduct annual staff performance appraisal.
- Ensure prompt payments for supplies and services.
- Make the institution a center of excellence for all through enhanced publicity, high levels of performance, quality service and integrity.
- Improve the rate of conveying information and adequate communication channels.
- Provide timely response to all enquiries.

Provide quarterly and annual performance reports to the Ministry of Education

Results

The results of the entity for the year ended June 30 are set out on page 1 to 54

Board of Governors

The members of the Board who served during the year are shown on page vii, viii, ix and x.

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

Auditors

The Auditor General is responsible for the statutory audit of the Institution in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2023, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Secretary of the Board
Nairobi
Date: 07/03/2025

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

12. Statement of Board of Governors Responsibilities

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

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

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


The board members accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act). The board members are of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the amended financial statements

The Ngong TVC's amended financial statements were approved by the Board on 7th March 2025 and signed on its behalf by:



.....
Name: Dismas Oyieko
Chairperson of the Board



.....
Name: Teresia Mutuku
Accounting Officer/Principal

REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of Ngong Technical and Vocational College set out on pages 1 to 46 which comprise of the statement of financial position as at

30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by MGI Alekim LLP, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In my opinion, except for the effect 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 Ngong Technical and Vocational College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Misstated Depreciation Amount

The statement of financial performance reflects depreciation and amortization expense of Kshs.17,031,004 as disclosed in Note 12 to the financial statements. However, the schedule provided for audit review reflected an amount of Kshs.22,018,278 resulting to unexplained variance of Kshs.4,987,274.

In the circumstances, the accuracy of depreciation amount of Kshs.17,031,004 could not be confirmed.

2. Misstatement in the Statement of Cash Flows

The statement of cash flows reflects cash and cash equivalents as at 30 June 2022 of Kshs.9,695,745 while the opening balance for the financial year 2022/2023 is Kshs.11,414,339 resulting to unexplained variance of Kshs.1,718,594. In addition, the statement reflects purchase of property, plant and equipment and intangible assets of Kshs.15,585,305 while Note 17 to the financial statements reflects additions totalling Kshs.13,347,417 resulting to unexplained variance of Kshs.2,237,888.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed.

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

Key Audit Matters

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.62,294,000 and Kshs.29,069,300 respectively resulting to a shortfall of Kshs.33,224,700 or approximately 53% of the budget. Similarly, the statement reflects expenditure amount of Kshs.14,977,799 against actual receipts of Kshs.29,069,300 resulting to under-utilization of Kshs.14,091,501 or approximately 48 % of the actual receipts.

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised. However, Management has not resolved all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management has not provided any explanation for the delay in resolving the issues.

Other Information

The Management is responsible for the other information set out on pages iii to xxviii which comprise of Key College Information and Management, Board of Governors, Key Management Team, Chairperson's Statement, Report of the Principal, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors and the Statement of Board of Governor's Responsibilities. The other information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion, 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. Lack of Approved Annual Budget Estimates

Review of the financial records for the period under review revealed that the institution did not have an approved budget by the Cabinet Secretary contrary to provisions of Section 13(3) of the Technical and Vocational Education and Training Act, 2013 which states that the annual estimates shall be submitted to the Cabinet Secretary for approval before the commencement of the financial year to which they relate.

In the circumstances, Management was in breach of law.

2. Failure to Remit National Industrial Training Levy

The statement of financial performance reflects employees cost of Kshs.2,854,690 as disclosed in Note 10 to the financial statements. However, review of records revealed that the College did not remit National Industrial Training Levy to the Commissioner General of Kenya Revenue Authority during the year under review. This is contrary to Section 5B (3) of The Industrial Training (Amendment) Act, 2022 which states that an employer shall pay the training levy to the Commissioner-General at the time when an employee's salary is payable and shall be remitted to the Commissioner-General not later than the fifth day of the month following the month in which the levy becomes due.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for

Conclusion, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Failure to Carry Out Annual Performance Management Evaluation

During the year under review, the Board did not carry out a performance management evaluation. This is contrary to Governance parameter 7.2(1)(a) of Mwongozo Code of Governance for State Corporations which requires the Board to put in a performance management system that is linked to the mandate of the organization and which is aligned to the national development plans and sector performance standards.

In the circumstances, the effectiveness of the Board of Governance could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 April, 2025

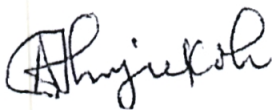
Ngong Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement of Financial Performance for the Year Ended 30 June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	6,564,000	6,270,000
Total Revenue from non-exchange transactions		6,564,000	6,270,000
Revenue from Exchange transactions			
Rendering of services- Fees from students	7	18,422,775	16,015,222
Miscellaneous income	8	4,082,525	136,000
Revenue from Exchange transactions		22,505,300	16,151,222
Total Revenue		29,069,300	22,421,222
Expenses			
Use of goods and services	9	11,032,199	9,634,544
Employee costs	10	2,854,690	1,881,970
Board of Governor's Expenses	11	463,500	467,500
Depreciation and amortization expense	12	17,031,004	3,706,621
Repairs and maintenance	13	627,410	210,825
Total Expenses		32,008,803	15,901,460
Net surplus/(deficit) for the year		- 2,939,503	6,519,762

(The notes set out on pages 7 to 51 form an integral part of the Annual Financial Statements).

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



.....
Chairman of the Board

Date 07/03/2025



.....
Finance Officer
ICPAK No 29374

Date 07/03/2025



.....
Principal

Date 07/03/2025

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

15. **Statement of Financial Position as At 30th June 2023**

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	9,920,536	9,695,745
Current portion of receivables from exchange transactions	15(a)	6,376,879	2,671,800
Inventories	16	779,624	
Total Current Assets		17,077,038	12,367,545
Non-Current Assets			
Property, plant and equipment	17	148,206,200	47,305,402
Intangible assets	18	2,000,000	-
Total Non-current Assets		150,206,200	47,305,402
Total Assets		<u>167,283,238</u>	<u>59,672,947</u>
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	19	9,258,751	8,420,604
Refundable deposits from customers	20	408,660	-
Current provisions	21	420,536	225,483
Total Current Liabilities		10,087,947	8,646,087
Non-current liabilities			
Total Non-current liabilities			-
Total liabilities		10,087,947	8,646,087
Net Asset		157,195,291	51,026,860
Accumulated Surplus/(Deficit)		- 731,894	2,207,609
Capital Fund		157,927,184	48,819,250
Total Net Assets and Liabilities		157,195,290	51,026,859
Total Net Assets and Liabilities		167,283,238	59,672,946

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



.....
Chairman of the Board

Date 07/03/2025



.....
Finance Officer
ICPAK No 29374

Date 07/03/2025



.....
Principal

Date 07/03/2025

Ngong Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023
16. Statement of Changes in Net Asset For The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated Fund	Capital	Total
			Grants/Fund	
At June 30, 2022	-	2,207,609	55,142,009	57,349,618
	-			
At July 1, 2022	-	2,207,609	55,142,009	57,349,618
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-2,939,503	-	-2,939,503
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortization from capital fund to	-	-	-	-
Retained earnings		-	102,785,175	102,785,175
At June 30, 2023	-	-731,894	157,927,184	157,195,290

The Agricultural machines worth USD 1,017,675 translated at 101 into Kenyan Shillings amounting 102,785,175 following Circular – Ref. NO. MOE/DTE/6/5/1 VOL. XVIII (37), dated 24th November 2022. This amount was in cooperated in the statement of changes in net assets as retained earnings.

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

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

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	6,564,000	7,385,000
Rendering of services- fees from students	7	18,422,775	16,015,222
Miscellaneous income	10	4,082,525	136,000
Total Receipts		29,069,300	23,536,222
Payments			
Compensation of employees	10	2,854,690	1,881,970
Use of goods and services	9	11,032,199	9,639,544
Repairs maintenance and improvements	13	627,410	210,825
Board of Governors expenses	11	463,500	467,500
increase/(decrease) in payables			8,185,577
(Increase)/Decrease in Receivables			(399,057)
Total Payments		14,977,799	19,981,359
Net cash flows from operating activities		14,091,502	3,554,863
Cash flows from investing activities			
Purchase of property, plant, equipment & intangible assets		(15,585,305)	(5,821,959)
Proceeds from sale of property, plant and Equipment			-
Net cash flows used in investing activities		(15,585,305)	(5,821,959)
Cash flows from financing activities			
Net cash flows used in financing activities			-
Increase in Net Assets/Receivables			5,877,802
Net Increase/(Decrease) in Cash and Cash equivalents		(1,493,804)	(2,267,096)
Cash and cash equivalents at 1 July 2022	14	11,414,339	6,085,039
Cash and cash equivalents at 30 June 2023	14	9,920,536	9,695,745

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	Explanation of material variances
	Kshs	Kshs	Kshs	Kshs	Kshs	%	
Revenue							
Transfers from other National Government entities	21,000,000	-	21,000,000	6,564,000	14,436,000	69	(a)
Transfers from other levels of government	10,500,000	-	10,500,000	-	10,500,000	100	(b)
Rendering of services- fees from students	30,294,000	-	30,294,000	18,422,775	11,871,225	39	(c)
Miscellaneous Income	500,000	-	500,000	4,082,525	3,582,525	717	(d)
Total Income	62,294,000	-	62,294,000	29,069,300	33,224,700	47	
Expenses							
Use of goods and services	50,784,000	-	50,784,000	11,032,199	39,751,802	22	(e)
Employee costs	7,158,000	-	7,158,000	2,854,690	4,303,310	40	(f)
Board Expenses	492,000	-	492,000	463,500	28,500	94	(g)
Repairs and maintenance	3,860,000	-	3,860,000	627,410	3,232,590	16	(h)
Total Expenditure	62,294,000	-	62,294,000	14,977,799	47,316,202	24	
Surplus For the Period	-	-	-	14,091,502	14,091,502	-	
Capital Expenditure	-	-	-	-	-	-	

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

	Explanation
a)	Movement is due to the unrealized anticipated capitation which was not received.
b)	Movement is due to the anticipated capital funding for various projects which was not realized.
c)	Movement is due to the unanticipated other income from other revenues that was planned but not realized. Equally the college did not manage to hit the targeted trainees' number populated during budgeting with the period under review.
d)	Movement is due to the un projected and budgeted trainees who were sponsored by KCB Bank and other donors to take up the various courses in our college.
e)	Movement in (e, f, g and h) is due to the various budget cuts done during the period under review to meet the underfunding of capitation and other AIA revenues that were not realized.

NGONG TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements
for the year ended 30th June 2023

19. Notes to the Financial Statements

1. General Information

Ngong TVC is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal mandate is to offer education and training.

2. Statement of Compliance and Basis of Preparation

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

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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

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

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

iii. **Early adoption of standards**

Ngong TVC did not early-adopt any new or amended standards in year 2023 the entity adopted standard 41 and 44. The impact of these standards on entity's financial statements is *amend appropriately*.

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4. Summary of Significant Accounting Policies

- a) Revenue recognition
 - i) Revenue from non-exchange transactions

Transfers from other government entities

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

- ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2022/2023 was approved by the Board on 22/06/2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page xx under section xxx of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule 23 of the *Income tax Act*.

Sales tax/ Value Added Tax

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

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

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

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Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. There were no additional disclosure of these estimates of provisions..

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 adopted as per the table below.

BASED ON IPSAS-19

BRACKET	Current	1 - 90 Days	91 - 180 Days	181 - 270 Days	> 270 Days	361 Days and Above
Corporates e.g. APA, CIC, Individual etc.	0%	2%	5%	10%	20%	100%
Government clients e.g. NCC, NHIF, KRA etc.	0%	2%	5%	10%	20%	100%
Corporate Capititations	0%	0%	0%	0%	10%	100%
Government Capititations	0%	0%	0%	0%	0%	0%

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	6,064,000	6,270,000
Operational Grant	500,000	-
Unconditional Development grants		
Other Grants		-
	6,564,000	6,270,000
Conditional Grants		
Library Grant		-
Hostels Grant		-
Administration Block Grant		-
Laboratory Grant		-
Learning Facilities Grant		-
Other Organizational Grants		-
Total Government Grants and Subsidies	6,564,000	6,270,000

(a) Transfers from other Government entities (Categorized)

The details of the reconciliation have been included under appendix III

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Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2021-2022
	Kshs	Kshs			
			Kshs	Kshs	Kshs
State Department of Vocational and Technical Training	6,564,000	-	-	6,564,000	6,270,000
Ministry of Education	-	-	-	-	-
Total	6,564,000	-	-	6,564,000	6,270,000

7. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Fees	6,863,340	9,444,957
Activity Fees	2,331,640	1,172,639
Industrial Attachment Fees	628,650	561,180
Examination Fees	2,716,735	1,983,495
Library Fees		350,060
Facilities And Materials	4,399,910	1,462,063
Registration Fees	1,482,500	552,623.00
Internet		348,255
Insurance		139,950
Total Revenue from The Rendering of Services	18,422,775	16,015,222

8. Miscellaneous Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Consultancy fees/IGA	4,079,525	136,000
Services concession income		
Income from sale of tender	3,000	
Total other income	4,082,525	136,000

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Notes To the Financial Statements (Continued)

9. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Teaching and learning materials	2,119,278	4,871,949
Industrial attachment costs	141,500	59,570
Electricity	278,562	290,624
Water	17,166	96,350
Security	278,400	144,000
Professional and consultancy services		
Development Expenses/Subscriptions	445,500	92,893
Advertising		
Examination fees	2,856,860	1,783,780
Audit fees	232,000	
Catering, conferences, and delegations	405,736	650,650
Travelling and accommodation	1,405,690	791,010
IGA Expense	39,000	44,800
Insurance	37,680	-
Legal expenses		-
Licenses and permits		-
Postage		-
Printing and stationery		-
IGA Expenses	900,475	32,000
Student Refunds	104,550	-
Covid-19		-
Telephone expenses		-
Internet expenses	434,304	437,684
Training expenses	170,720	-
Administration exp i.e Regi	1,155,592	309,814
Student welfare	9,186	29,420
Total good and services	11,032,199	9,634,544

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Notes To the Financial Statements (Continued)

10. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	2,854,690	1,753,530
Employee related costs - contributions to pensions and medical aids		-
Social contributions		128,440
Employee Costs	2,854,690	1,881,970

11. Board Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Chairman's Honoraria		
Board of Governors Emoluments & Allowances	463,500	467,500
Other Allowances		
Other Board/Council Expenses		
Total director emoluments	463,500	467,500

12. Depreciation and Amortization expense

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, plant and equipment	17,031,004	3,706,621
Total depreciation and amortization	17,031,004	3,706,621

13. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
Property	576,410	151,315
Investment property – earning rentals		34,870
Equipment and machinery	51,000	10,470
Vehicles		
Furniture and fittings		14,170
Computers and accessories		
Total Repairs and Maintenance	627,410	210,825

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14. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
NGONG Tvc Operations Account	9,779,915	9,695,234
Cash	9,226	511
Ngong Tvc Development Account		
Staff car loan/ mortgage		
KCB A/C	131,395	
Total cash and cash equivalents	9,920,536	9,695,745

(a). Detailed Analysis of Cash and Cash equivalents

Description		2022-2023	2021-2022
Financial Institution	Account number	Kshs	Kshs
a) Current A/C			
Co-operative Bank	0112984241400	9,779,915	9,695,234.00
Equity Bank, etc.			-
Sub- Total		9,779,915	9,695,234
b) On - Call Deposits			
Kenya Commercial Bank		131,395	-
Equity Bank – etc.			-
Sub- Total		131,395	-
e) Others(<i>Specify</i>)			-
Cash in Hand		9,226	511.00
Mobile Money account			-
Sub- Total		9,226	511
Grand Total		9,920,536	9,695,745

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Notes to the Financial Statements (Continued)

15. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Student debtors	6,712,504	2,671,800
Staff Advances		
Consultancy Debtors		
Other Exchange Debtors		
Less: Impairment Allowance 5%	-335,625	
Total Current Receivables	6,376,879	2,671,800

(b) Long- term Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Refundable Deposits		
Less: Impairment Allowance		-
Total		-
Current Portion Transferred To Current Receivables		
Total Non-Current Receivables		-
Total Receivables	6,376,879	2,671,800

(f) Ageing Analysis of Receivables from Exchange transactions

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	5,128,802	76	2,671,800	100
Between 1- 2 years	1,583,702	24	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	6,712,504	100	2,671,800	100

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16. Inventories

Description	2022- 2023	2021-2022
	Kshs	Kshs
Consumable stores	215,385	-
Maintenance stores	457,869	-
Health Unit stores	-	-
Electrical stores	106,370	-
Cleaning Materials stores	-	-
Catering stores	-	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	779,624	-

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Notes to the Financial Statements (Continued)

17. Property, Plant and Equipment

Description	Land	Buildings	PERIMETER WALL-WIP	Furniture and fittings	Computers and related equipment	OTHER	Plant and	Capital WIP-TEMPORARY CLASSROOMS	Total
	Shs					ASSETS	equipment		
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Kshs	Shs
		5%	0%	20%	33%	10%	12.50%		
At 1 July 2022	0	41,016,717	5,043,190	1,183,031	733,584	20,970	1,107,577	1,816,501	50,921,570
Additions	0	-	-	-	-	-	-	-	-
Disposals	0	-	-	-	-	-	-	-	-
Transfers/Adjustments	0	-	-	-	-	-	102,785,175	-	102,785,175
At 30th June 2023	0	41,016,717	5,043,190	1,183,031	733,584	20,970	103,892,752	1,816,501	153,706,745
Additions	0	5,500,000	2,484,345	2,384,349	2,010,300	355,880	429,600	182,943	13,347,417
Disposals	0	-	-	-	-	-	-	-	-
Transfer/Adjustments	0	-	-	-	-	-	-	-	-
At 30th June 2023	0	46,516,717	7,527,535	3,567,380	2,743,884	376,850	104,322,352	1,999,444	167,054,162
Depreciation & Impairment									
At 1 July 2022	0	-	-	-	-	-	-	-	-
Depreciation		2,325,836	-	713,476	913,713	37,685	13,040,294	-	17,031,004
Impairment	0	-	-	-	-	-	-	-	-
At 30 June 2023	0	2,325,836	-	713,476	913,713	37,685	13,040,294	-	17,031,004
Depreciation	0	14,806,859	-	1,029,359	1,339,146	40,015	13,409,486	-	30,624,864
Disposals	0	-	-	-	-	-	-	-	-
Impairment	0	-	-	-	-	-	-	-	-
Transfer/Adjustment	0	-	-	-	-	-	-	-	-
At 30th June 2023	0	-	-	-	-	-	-	-	-
Net Book Values	0	44,190,881	7,527,535	2,853,904	1,830,170	339,165	91,282,058	1,999,444	148,206,200
At 30 th June 2022	0	41,016,717	5,043,190	1,183,031	733,584	20,970	1,107,577	1,816,501	50,921,570
At 30 th June 2023	0	44,190,881	7,527,535	2,853,904	1,830,170	339,165	91,282,058	1,999,444	148,206,200

The Agricultural machines worth USD 1,017,675 translated at 101 into Kenyan Shillings amounting 102,785,175 following Circular – Ref. NO. MOE/DTE/6/5/1 VOL. XVIII (37), dated 24th November 2022.

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Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

(b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	58,997,740	16,623,817	42,373,923
Perimeter Wall	7,527,535	-	7,527,535
Office equipment, furniture, and fittings	3,883,263	1,029,359	2,853,904
Computers and related equipment	3,169,316	1,339,146	1,830,170
Other Assets	379,180	40,015	339,165
Plant and Equipment at Cost	104,691,544	13,409,486	91,282,058
WIP -Semi-Permanent Classrooms	1,999,444	-	1,999,444
Total	180,648,022	32,441,822	148,206,200

18. Intangible Assets

Description	2022-2023	2021-2022
	KShs	KShs
Cost (ERP SYSTEM WIP)	2,000,000	
At beginning of the year	-	-
Additions	-	
At end of the year	2,000,000	-
Additions–internal development	-	
At end of the year	2,000,000	-
Amortization and impairment		
At beginning of the year	2,000,000	-
Amortization		-
At end of the year	2,000,000	-
Impairment loss	-	
At end of the year	2,000,000	-
NBV	2,000,000	-

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Notes to the Financial Statements (Continued)

19. Trade and Other Payables

Description	2022-2023	2022-2023	2021-2022	2021-2022
	Kshs	Kshs	Kshs	Kshs
Trade payables	6,358,617		5,356,884	
Fees paid in advance	2,900,134		3,063,720	
Salary deductions				-
Other payables		-		
Total trade and other payables	9,258,751		8,420,604	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	6,159,854	67	5,356,884	64%
1-2 years	3,098,897	33	3,063,720	36%
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals above)	9,258,751	100%	100%	100

20. Refundable Deposits from Customers/Students

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	408,660		-	
Other refundable deposits	-		-	
Total Deposits	408,660		-	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	408,660	100	0	0
1-2 years	-		-	
2-3 years	-		-	
Over 3 years	-		-	
Total to tie to totals deposits above	408,660	100	0	0

21. Current Provisions

	Current	1 - 90	91 - 180	181 - 270	> 270	TOTAL
Trade Receivables	25,120	3,112,484	1,578,883	1,299,090	747,167	6,712,504
Rate in %	-	0.02	0.05	0.10	0.20	
Provisions	-	62,250	78,944	129,909	149,433	420,536

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Note:
1. BASIS OF PROVISION FOR DOUBTFUL DEBTS

BASED ON IPSAS-19

BRACKET	Current	1 - 90 Days	91 - 180 Days	181 - 270 Days	> 270 Days	361 Days and Above
Corporates e.g. APA, CIC, Individual etc.	0%	2%	5%	10%	20%	100%
Government clients e.g. NCC, NHIF, KRA etc.	0%	2%	5%	10%	20%	100%
Corporate Capititations	0%	0%	0%	0%	10%	100%
Government Capititations	0%	0%	0%	0%	0%	0%

CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Bad Debtors provision	Total		
	KShs	KShs	KShs	KShs		
Balance at beginning of the year/ period	-	-		-		
Additional Provisions for the period	-			-		
Provision utilized during the period	-		420,536	420,536		
Change due to discount and time value for money	-			-		
Transfers from non -current provisions	-			-		
Total provisions as at end of year			420,536	420,536		

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Notes to the Financial Statements (Continued)

22. Employee Benefit Obligations

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 400.00 per employee per month. Employees contribute 50% while employers contribute 50% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Notes to the Financial Statements (Continued)

23. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has no in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) Credit risk

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

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

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

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables from exchange transactions	2,671,800	2,671,800	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	9,695,745	9,695,745	-	-
Total	12,367,545	12,367,545	-	-
At 30 June 2023				
Receivables from exchange transactions	6,376,879	6,376,879	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	9,920,536	9,920,536	-	-
Total	16,297,414	16,297,414	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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Notes to the Financial Statements (Continued)

Financial risk management (continued)

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022 (previous year)				
Trade Payables		-	5,089,707	5,089,707
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	95,062	95,062
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	5,184,769	5,184,769
At 30 June 2023 (current year)				
Trade Payables	3,027,720	-	5,904,691	8,932,411
Current Portion Of Borrowings				
Provisions	-	-	-	-
Deferred Income	-	-	420,536	-
Employee Benefit Obligation	-	-	-	-
Total	3,027,720	-	6,325,227	8,932,411

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Notes to the Financial Statements (Continued)

Financial risk management (continued)

(iii) Market risk

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

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

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

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

a) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Notes to the Financial Statements (Continued)

Financial risk management (continued)

iv) Capital Risk Management

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

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Description	2022-2023	2021-2022
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-22,710,126	-10,667,301
Capital Reserve	185,141,594	179,529,322
Total Funds	162,431,467	168,862,021
Total Borrowings	-	-
Less: Cash and Bank Balances	-9,920,536	-9,695,745
Net Debt/(Excess Cash and Cash Equivalents)	9,920,536	9,695,745
Gearing	-	-

24. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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Notes to the Financial Statements (Continued)

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	-
B) Purchases from related parties		
Purchases of electricity from kplc	278,562	290,624
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Total	278,562	290,624
b) Grants /Transfers from the Government		
Grants from National Govt	6,564,000	7,385,000
Grants from County Government	-	-
Donations in Kind	-	-
Total	6,564,000	7,385,000
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for 10 Employees	2,854,690	1,881,970
Payments for Goods and Services for Fy 2022-2023	11,032,199	9,639,544
Total	13,886,889	11,521,514
d) Key Management Compensation		
Directors' emoluments	463,500	467,500
Compensation to Key Management	-	-
Total	463,500	467,500

25. Segment Information

Ngong TVC operate only at Ngong and its environment therefore has no effect of different geographical regions effects.

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Notes to the Financial Statements (Continued)

26. Capital Commitments

Capital Commitments	2022-2023	2021-2022
Authorized for	Kshs	Kshs
Authorized and contracted for	5,600,000	-
Total	5,600,000	-

The capital commitments is money hold awaiting approval of the plans and construction of more classes around the college which is held in the bank.

27. Events After The Reporting Period

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

28. Ultimate And Holding Entity

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

29. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1. Inaccuracies in the Financial Statements				
1.1	The statement of financial position reflects capital fund balance of Ksh. 48,819,250 while the statement of changes in net assets reflects Ksh. 55,142,009 resulting to an unexplained variance of Ksh. 6,292,759;	The management has observed those errors and corrected them in the amended financial statement.	Resolved	30.06.2023
1.2	The statement of financial position reflects comparative capital fund balance of Ksh. 57,438,490 while the prior year audited financial statements reflects Ksh. 51,235,689 resulting to unexplained variance of Ksh. 6,202,801;	The management has observed those errors and corrected them in the amended financial statement.	Resolved	30.06.2023
1.3	Note 18 on provisions for trade receivables reflects trade receivables balance of Ksh. 2,671, 800 while casting revealed Ksh. 3,745,450 resulting to unexplained	The management has observed those errors and corrected them in the amended financial statement.	Resolved	30.06.2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.4	Note 17 (a) and (b) reflect WIP semi-permanent classrooms at cost and net book value of Ksh. 1,872,344 which has not been supported;	The management wish to humbly ensure that all the documents will be submitted, those that are ready and those that will be sourced from the mentor institution and the parent ministry as per the asset donated for ownership and adopted in the financial statement as reported. More adjustment has been based on the audit review done to reflect the true fair view of the financial.	Resolved	30.06.2023
1.5	The statement of financial position reflects cash and cash equivalents balance of Ksh. 9,695, 745 while the cash book reflects Ksh. 9,695,234 resulting to variances of Ksh. 511;	The management has noted those errors and has made correction to the financial statement and adopted your recommendations for the board survey, which has been recommended to the board for implementation and be carried in future to ascertain the cashbook balance and bank balance certificate for cash and cash equivalent confirmation to confirm the amount in future.	Resolved	30.06.2023
1.6	The statement of financial position reflects property, plant and equipment balance of Ksh.47,305,402 while fixed asset register reflects Ksh. 60,827,965 resulting to an unexplained variance of Ksh. 13,522,563;	The management has observed those errors and corrected them in the amended financial statement.	Resolved	30.06.2023

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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)
		.More adjustment has been based on the audit review done to reflect the true fair view of the financial.		
1.7	The statement of comparison of budget and actual amounts reflects final revenue and expenditure budget of Ksh.12,831,938 each while the approved budget reflects Ksh. 25,355,000 for each resulting to an unexplained variance of Ksh. 12,523,062 and	The variance is as a result of undisbursed Q4 capitation and revenue from AIA in the budgeted number of trainees which the college didn't attain and was explained to the auditors (OAG).	Resolved	30/06/2023
1.8	Appendix III on Inter Entity Confirmation letter reflects total difference of Ksh. 2,220,000 while casting revealed Ksh. 4,050,000 resulting to unexplained variance of Ksh. 1,830,000. In circumstances, the accuracy of the above balances included in the financial statements could not be confirmed.	The management realized those errors and reconciled it in the amended financial statement.	Resolved	30.06.2023
2	Unsupported Property, Plant and Equipment			
	The statement of financial position reflects property, plant and equipment balance of Ksh. 47,305,402, as disclosed in Note 17 to the financial statements. It was noted that these assets were transferred from mentor Institution but there was no memorandum of transfers of the fixed asset, handing over report, land title deed of ownership documents. In addition, there was no	The management wish to humbly ensure that all the documents will be submitted, those that are ready and those that will be sourced from the mentor institution and the parent ministry as per the asset donated for ownership and adopted in the financial statement. More	Not Resolved	30/06/2024

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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)
	valuation report supporting the assets balance in the financial statements. In the circumstances the accuracy, completeness, ownership and valuation of property plant and equipment balance of Ksh,305,402 as at 30 June 2022 could not be confirmed	adjustment has been based on the audit review done to reflect the true fair view of the financial.		
3	Unsupported Current Provisions			
	The statement of financial position reflects current provisions of Ksh 225,483 as disclosed in Note 18 to the financial statements. The amount relates to provision for trade receivables but there was no evidence of a fiancé policy indicating rates of provisions for bad debts. In addition, the provision is incorrectly included under liabilities instead of being netted from debtors. In the circumstances, the accuracy and completeness of the current provisions balance of Ksh. 225,483 as at 30 June, 2022 could not be confirmed. The provision is also misrepresented.	The management has developed some of those draft policies, shared them to the board for review and other stakeholders for insight before approval.	Not Resolved	30/06/2024
4	Omitted Long Outstanding Trade Payables			
	The statement of financial position reflects trade and other payables from exchange transactions balance of Ksh. 8,420,604 (Ksh. 235,027: 2020-2021) as disclosed	The mentor institution has not provided the supporting documents to proof the	Not Resolved	30/06/2024

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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)
	<p>in Note 16 to the financial statements. However, the balance exclude Ksh.3, 098,897 owned to an Institution which dates to the year 2018. In addition, the balance has not been supported by schedules indicating the values of goods services and works supplied. In the circumstances, the accuracy and completeness of trade and other payables from exchange transactions balance of Ks. 8, 420,604 at at June 2022 could not be confirmed.</p> <p>The audit was conducted in accordance with International standards of Supreme Audit Institutions (ISSAIS). I am independent of the Ngong Technical and Vocational College Management in accordance with ISSAL 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable 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.</p>	<p>expenditures, payment vouchers or invoices and therefore management is waiting for the same to ascertain the claim.</p>		
	Other matter			
	Budgetary Control and performance			
	The statement of comparison of budget and actual amounts reflects total revenue budget of Ksh.	The management wish to commit that in the next financial year, the funds will be	Resolved	30/06/2023

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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)
	<p>12,831,938 and actual on comparable basis of Ksh. 22,421,222 resulting to over collection of Ksh. 9,589,284 or 75% of the budget. Further, the institute spent Ksh. 12,194,839 out of actual on comparable basis revenue of Ksh. 22,421,222 resulting to under absorption of Ksh. 10,226,383 or 48% of the actual revenue.</p> <p>The over-collection of 75% of budgeted revenue implies poor budget process</p>	<p>fully utilized since the projected projects were awaiting approval by the board and various ministry official for them to be implemented. However, on the under budgeting the board wish to acknowledge those errors and ensure that a more realistic budget will developed.</p>		
	<p>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</p>			
1	<p>Non-compliance with the public sector accounting standards</p>			
	<p>i. Blank page and table of contents are numbered ii and iii instead of omitting page numbers and numbering of pages up to xxxii is incorrect.</p> <p>ii. Report of the Board of Governors in page xxviii erroneously includes the word 'Council' further, the report of the board of governors indicates result of the entity to be set out in pages 1-6 instead of 1-38.</p>	<p>The management has observed those errors and corrected them in the adjusted financial statement and on cash generated from operations, credit risk, liquidity risk and capital risk management tables, the management will pronounce themselves more once the board approves its financial manuals.</p>	Resolved	30/06/2023

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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)
	<p>iii. Significant judgments and sources of estimation uncertainty in page 18 has been wrongly placed and should be after section u in page 19.</p> <p>iv. The financial statements have omitted notes on cash generated from operations, credit risk, liquidity risk and capital risk management tables.</p>			
2	21. Lack of internal audit function			
	<p>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE</p> <p>22.</p>	<p>The management has engaged the assistance of the internal auditor from the mentor institution who will assist in setting up the internal control system. The board also has set up an internal audit committee as per mwongozo and the PFM ACT to ensure proper controls are adhered to as per the public audit act.</p>		
1	Lack of handing over documents			
	<p>During the year under review, management did not provide handed over documents including the plans, proposals memorandum of understanding for land, completion certificate of building latter of appointments of the mentor and bank statements for grant on building.</p>	<p>The management and board will sincerely take up your recommendation to follow up with the mentor intuition, resolve all the pending issues and ensure a proper handover is done with</p>	Not Resolved	30/06/2024

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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)
	In the circumstances, effectiveness of the operations and governance of the entity without proper procedures and instructions could not be confirmed.	appropriate documents being documented.		
2	Lack of operations policies and manuals			
	During the year review, the College did not have a finance manual fraud prevention guidelines, risk assessment and management policy training need assessment tools approved organization chart disaster recovery plan, approved human resource manual and an annual training program. In the circumstances, the effectiveness of internal controls and risk management could not be confirmed	The management has developed some of those draft policies, shared them to the board for review and other stakeholders for insight before approval. Among those developed policies, manuals and strategic plan, HRM, Finance, and Organization Chart have been drafted.	Not Resolved	30/06/2024
3	Lack of segregation of duties			
	Review of staffing and roles allocation in the departments revealed that the department had one employment who was performing duties of recording transaction disbursing funds making entries in the cashbook, recording cashbooks and bank balances and making payments. In the circumstances, the internal controls on financial operations could not be confirmed.	Equally, the board had approved employment of more staff to be employed based on the availability of funds to promote segregation of duties. The board has created an internal audit committee that will promote more controls to the institution	Not Resolved	30/06/2024

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Teresia Mutuku
Accounting Officer
(*Ngong Technical & Vocational College*)
Date

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Appendix II: Projects Implemented by Ngong TVC

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

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

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Appendix III- Inter-Entity Confirmation Letter



MINISTRY OF EDUCATION
 NGONG TECHNICAL AND VOCATIONAL COLLEGE
 P. O. BOX 1170-00208, NGONG HILLS
 TEL: +254781012977
 Email: ngongtvc@gmail.com OR info@ngongtvc.ac.ke
 Website: ngongtvc.ac.ke



Ngong Technical & Vocational College

P.O Box 1170-00208

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

Confirmation of amounts received by <i>Ngong Technical & Vocational College</i> as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by Ngong TVC (Kshs) as at 30th June 2023				Amount Received by Ngong TVC (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Ministry of Education	21/10/2022	1,64,000.00				1,64,000.00	
Ministry of Education	21/10/2023	500,000				500,000	
Ministry of Education	30/01/2023	2,212,000				2,212,000	
Ministry of Education	29/06/2023	2,212,000				2,212,000	

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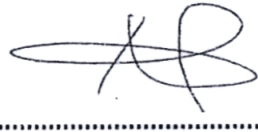
Total		6,564,000.00					6,564,000.00
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I ssconfirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Entity:

Name: Alex Owuor Owade

Sign



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Date: 07/03/2025

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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery /mitigation/prepare dness)	Expenditure item	Amount (Kshs.)	Comments