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REPORT

OF

THE AUDITOR-GENERAL

ON

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 25 JUN 2025

DAY.

WEDNESDAY

TABLED
BY:

MAJITH LEADER

CLERK-AT
THE-TABLE:

FINLAY

**MANYATTA TECHNICAL AND
VOCATIONAL COLLEGE**

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



MANYATTA 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)**

MANYATTA 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
COVID – 19	Corona Virus
CSR	Corporate Social Responsibility
ECL	Expected Credit Level
FY	Financial Year
HELB	Higher Education Loan Board
HoD	Head Of Department
IEBC	Independent Electro Boundary Commission
ICT	Information Communication Technology
ICPAK	Institute Of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
KNEC	Kenya National Examination Board
KRA	Kenya Revenue Authority
MTVC	Manyatta Technical and Vocational College
NBV	Net Book Value
NGAAF	National Government Affirmative Action Fund
NGCDF	National Government Constituency Development Fund
NITA	National Industrial Training Authority
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TVC	Technical Vocational College
TVET	Technical Vocational Education Training
Moe	Ministry Of Education
SAGA	Semi Automatous Government Agencies
Fiduciary Management	Key management personnel who have financial responsibility in the college

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2. Key Institute Information and Management

(a) Background information

Manyatta Technical and Vocational College was established under the TVET Act of 2013. The College is domiciled in Kenya and is under the Ministry of Education, State Department for TVET.

Manyatta TVC was established in 2020 as a Technical and Vocational College on a 5 acre piece of land donated by the local community. This was made possible through the efforts of Hon. John Muchiri, the Area MP then.

The College derives its mandate from the TVET Act of 2013. The management of the College is under a Board of Governors appointed by the Cabinet Secretary, Ministry of Education.

The Principal is the Secretary to the Board of Governors and the Chief Executive Officer of MTVC. He is in charge of the day-to-day running of the College and is assisted by two Deputy Principals, Registrar, Dean of Students and Heads of Departments.

MTVC offers training in Competence Based Education (CBET) in all courses and course levels. The courses are offered in six academic departments namely Mechanical and Automotive Engineering, Building and Civil Engineering, Electrical and Electronics Engineering, Hospitality and Tourism Management, Fashion Design and Cosmetology and Computing and Informatics. Other support departments include Examinations office, Guidance & Counselling, Industrial Liaison, and Sports, Research and Quality Assurance.

(b) Principal Activities

The principal activity/mission/ mandate of the College is to train technical courses.

Vision

To be a Centre of excellence in Education and Training for Sustainable Development.

Mission

To provide education and training which is responsive to the needs of the industry for sustainable development

Vision

To become a Centre of Excellence for Vocational and Technical Training.

Mission

To provide Quality Vocational and Technical Training

Motto

Competence Through

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(c) Key Management

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

- Board members
- Accounting officer/ Principal
- Deputy Principal Administration and Academic
- Heads of Departments both Academic and Non-academic

(d) Fiduciary Management

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

SN.	Designation	Name
1)	Principal	David Njagi Nthuci
2)	Deputy Principal	Symon Peter Muchira Njoka
3)	Registrar	Nelson Muthomi Nyaga
4)	Dean of Students	Ronald Kipng'etich Lagat
5)	Accounts officer	Bancy M. Nyaga

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(e) Fiduciary Oversight Arrangements

Board Committees

To assist the Board in the discharge of its responsibilities, Board committees have been established. All the Board committees meet at least two times a year. The committees are as follows: -

i. Finance, Governance and Development committee

Responsibilities:

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

ii. Audit, Risk and Compliance Committee

Responsibilities:

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

3. Education, Training and Research committee

Responsibilities:

Human resource

- a. Continually examine the College's structure, core functions, staff establishment and if necessary, make proposals for harmonization and rationalization in order to eliminate possible wastage arising from redundancy, overlaps and duplications;
- b. Examine policy and procedures on employment
- c. Examine the procedures for assessment of needs for employment, staff development and procedures, staff training for operational efficiency and capacity enhancement for further development and consultancy services;
- d. Examine and review the terms and conditions of service;
- e. Examine the adequacy of the performance and reward system;
- f. Examine and review the staff welfare policy
- g. Establish & review the human resource policy, college scheme of service and career progression structure make recommendations for broad guidelines; and
- h. Propose innovative ideas for transformation of the college into a world-class college of higher learning and employer

Academic

- a) Formulation and Review of the Academic Policy
- b) Quality Assurance & standards evaluations
- c) Development and Implementation of New Programmes
- d) Determination of Resources:
 - i. Human Resource
 - ii. Teaching/Learning Materials
- e) Curriculum Evaluation
- f) Establish Linkage between the College and Industry
- g) Ensure Relevance of Courses to Market Needs
- h) In Charge of Graduations and Academic Awards

(f) Institute Headquarters

P.O. Box 2824-60100
15kms from Embu town- 1 km Off Embu-Meru Highway
Kenya

(g) Institute Contacts

Telephone: (254) 740572437
E-mail: manyattatvc@gmail.com
Website: www.manyattatvc.ac.ke

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(h) Institute Bankers

Equity Bank of Kenya Limited
Embu Branch
Along Embu-Meru Highway
P.O Box 1994
60100
Embu, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

Manyatta Technical and Vocational College
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3. Board of Governors

No	Name	Date Of Birth	Key Qualifications	Work Experience	Membership	Committee
1.	Prof. Madrine King'endo 	1970	Holder of PhD in Special Education Master's degree in Educational Psychology	Lecturer University of Embu	Board Chairperson	
2.	Rev. Jackson P. Ngari 	10/09/1968	PhD-Biblical Studies	ACK Diocese of Embu Education Secretary	Board Member	Education, Training & Research
3.	Caroline W. Nyaga 	27/09/1990	Bachelor of commerce (BCOM) Finance option	Spread Capital Ltd Head of Business Development	Board Member	Chairperson Finance, Governance & Compliance
4.	Florence N. Musyoka 	1964	Bachelor of Engineering Civil Environment Engineering and Resource Management	CEC Embu County Government Water, Irrigation, Environment, Climate Change and Natural Resources	Board Member	Finance, Governance & Development.

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No	Name	Date Of Birth	Key Qualifications	Work Experience	Membership	Committee
5.	George Njeru 	1968	Master of Science in Industrial Engineering and Management	Meru University of Science and Technology	Board Member	Chairman Audit, Risk & Compliance.
6	Julius O. Odumbe 	1968	MBA BSc Eng.	General Manager Operations Power Plant Management KENGEN	Board Member	- Finance, Governance & Development. - Education, Training & Research
7	Nelly C. Kiplangat 	6/10/1990	MSc. Geospatial Information Systems and Remote Sensing	Tutorial Fellow in GIS technologies, water and environmental Engineering - Technical University of Kenya	Board Member	Education, Training & Research
8	Peter Kaume 	1972	Master's Degree	Regional TVET Director Upper Eastern	PS Representative	

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No	Name	Date Of Birth	Key Qualifications	Work Experience	Membership	Committee
9	David Njagi Nthuci 	03/08/1965	Bachelor of Science in Mechanical Engineering	Chief Principal Manyatta Technical and Vocational College	Board Secretary	Principal

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4. Key Management Team

SN.	Member/ Director	Details
1)	Mr. David Njagi Nthuci 	He is the Principal, Secretary to the Board and the accounting officer
2)	Mr. Symon Peter Muchira Njoka 	He is the Deputy Principal
3)	 Mr. Nelson Muthomi Nyaga	Registrar

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SN.	Member/ Director	Details
4)	 Ronald Kipng'etich Lagat	Dean of students
5)	 Bancy Muthoni Nyaga	Accounts

MANYATTA TECHNICAL AND VOCATIONAL COLLEGE
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5. Chairperson's Statement

I feel honoured and duty – bound to present an over view of the Manyatta Technical and Vocational College (MTVC) performance for the year ended 30th June, 2024. The Board played its rightful role in the College governance and remained steadfast and united in support of efforts by MTVC management in transforming the College into a regional and global centre of academic and research excellence.

It is imperative to note that the College was established in the year 2020 and the Board of governors appointed on 17th March, 2022.

The College Board is focused to position the MTVC as cradle of knowledge in providing quality education, teaching, research and innovation community outreach that meet the needs of a dynamic society. The College has been keen on addressing national aspirations by conforming to national policies as envisioned in the President's Bottom Up Economic Transformation Agenda (BETA).

In effort to promote excellence in all its operations, the MTVC management has a proactive team of heads of departments who are the central enabler for quality service delivery. The College has organized activities to emphasize the benefits from team work and the need to leverage on the shared goals for the achievement of the institutional vision. The MTVC top management under the guidance of the Board will endeavour to develop and sustain a shared vision for the benefit of the institution and all its current and potential stake holders.

The College has endeavoured to achieve quality teaching and learning by developing quality academic delivery model in the light of the dynamic and changing trends in higher education nationally and globally. It has identified clear pathways in training and research by introduction of additional training programme that support economic transformation of the immediate community and the nation at large by equipping its trainees with knowledge, skills and attitudes for the dynamic labour market. Expanding of the academic programme will contribute significantly towards creating a broad knowledge – based economy to meet the human resource requirements for the rapidly changing and diversified local and global economy

MTVC has actively participated in community service social – distanced activities which include the promotion of peer counselling activities and organising health talks geared towards health living.

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I wish to finally thank the government of Kenya, Board members, management, staff, trainees and other stake holders for their continued support over the year in striving to make MTVC a Centre of excellence for vocational and Technical Training.

Dr. Madrine King'endo

Chairperson to the Board

Manyatta Technical and Vocational College

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

6. Report of the Principal

It's with great pleasure that I present the annual report and financial statements for Manyatta Technical and Vocational College (MTVC) performance for the year ended 30th June, 2024. This year has been a year with new challenges but also many other opportunities to improve and move forward. The staff and the management has risen to the challenges with great deal of resilience and determination.

The year also saw the College implement a massive programme of improving our infrastructure, including

- a) Modern furniture for the trainers
- b) Expanding internet and ICT infrastructures

Despite these successes, we have faced some challenges in acquiring tools and equipment since to date the government has not supplied the earmarked equipment. The College also has been engaging in marketing campaigns to increase enrolment.

We acknowledge that we require a lot of investment in both financial and human capacities which continue to stretch the scarce financial resources at our disposal.

These challenges are also compounded by the heavy financial burden incurred by the College as remuneration for trainers hired under governing Board terms as the PSC has not been able to provide adequate human resource to enable the College deliver her mandate

We would like in a special way to thank the government of Kenya for the renewed commitment to TVET and recognizing technical training as a mode for achieving the vision 2030. The funding of trainees through capitation and provision of loans and bursaries by HELB.

MTVC remain committed to quality training and declare our resolve to continue addressing the opportunities and challenges that come our way, more so in playing our role in the realization of President's Bottom Up Economic Transformation Agenda (BETA).

We also greatly appreciate the Board of Governors, staff, trainees and all stake holders who have contributed greatly in their own way to make the College a Centre of excellence for vocational and Technical Training.



Mr. David Njagi Nthuci

**Principal,
Secretary to the Board
Manyatta Technical and Vocational College**

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7. Statement of Performance against Predetermined Objectives

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

Manyatta technical and vocational college has 6 strategic pillars and objectives within its Strategic Plan for the FY 2021/2022 to 2023/2024. These strategic pillars are as follows:

1. To provide tools and equipment for all departments for quality training.
2. To produce quality and globally competitive holistic graduates
3. To boost student enrolment and retention
4. To promote production units for income generation
5. To create and deepen collaborations, partnerships and linkages beneficial to the Institute
6. To improve and enhance trainee welfare

Manyatta technical and vocational college develops its annual work plans based on the above 6 pillars. Assessment of the Board's performance against its annual work plan is done regularly. The board achieved its performance targets set for the FY 2022/2023 period for its 7 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Tools and equipment for quality training	To purchase tools and equipment for four departments	Approved budget by the Board	Preparation of Departmental requisitions Procurement	Achieved
Quality and Globally Competitive Graduates	Attach all 50 students to relevant field of study for hands on training	All the 50 students were successfully attached and assessed	Trainers Visited and Assessed all the 50 attaches	Achieved.
Student enrolment and retention	To increase the student population to a minimum of 500	Customer satisfaction and retention	Marketing of institution to the neighbouring counties	Number of students increased from 82 to 188
Production Units for income generation	Create Arrow roots farm	Farm being created	Work in Progress	Not Achieved
Collaborations, Partnerships and Linkages	Collaborate with: Ngandori Nginda Water Consumers Association	Attached trainees	On-going	Achieved
Trainee Welfare	Support provision of 300 trainee welfare programs such as recreational	Customer lifetime value	The Guidance & counselling department was fully functional	Achieved

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	activities and physiological counselling and health services		to facilitate 300 trainee welfare.	

The strategic pillars as highlighted above are a true reflection of how the Board of Management would like to see the institution in 5 years of the strategic plan.

8. Corporate Governance Statement

Manyatta Technical and Vocational College is governed by the Board that consist of 9 members appointed by the Cabinet Secretary, Ministry of Education as follows

- Chairperson and six other members appointed through an open process
- One member representing Principal Secretary on matters relating to education
- The principal who is an ex- official member of the Board.

The appointment of the Chairperson and other members of the Board is done by the Cabinet Secretary, Ministry of Education through a gazette notice to serve for period of three (3) years renewable once. The Board members who served during the year under review were appointed vide a gazette notice _____ of _____. For the purpose of succession planning the Cabinet Secretary shall stagger

9. Management Discussion and analysis

1. Operational and Financial Performance.

The College had budgeted for 185 students but the actual number of students was 188, surpassing the target by 3 students. However, the low rate of fees payment affected the expected fees collection.

The total budget was Ksh. 14,895,096.00 whereas the actual revenue collected was Kshs. 7,534,110.00. It is worth noting that the budget was not realised.

2. Key Projects or Investments decision implemented or ongoing.

During the Financial Year the College was able to acquire tools and equipment for training.

3. Material Arrears in statutory and Other Financial Obligations.

The institute during financial year under audit did not have any material arrears in statutory and other financial obligations.

II. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

MTVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 5 pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

Sustainability strategy and profile

MTVC management has continued to put efforts on sustainability measures through creating relationships and collaborations with customers, stakeholders, and community, through quality teaching, exemplary academic performance and recruitment of competent staff. The management has also focused on marketing of MTVC programme in Embu County and the regions in order to attract more students. In the year ended, MTVC managed to attract more students compared to the proceeding years. We utilize resources without wastage and misappropriation by ensuring maximum value for the current and future generation.

The institute engages in promoting talents amongst its students by participating in TVET regional & national competition.

Environmental performance

In order to integrate the local community in the environmental conservation and management to also serve as an example to the community and also have a demonstration effect to the rest of the surrounding community, MTVC assisted in mending potholes between Kivwe shopping Centre and MTVC.

Employee Welfare

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

The management of MTVC is dedicated to improving the working conditions for both staff and students. The institute provided modern comfortable furniture to the Heads of Departments and good meals to all staff

Market place practices-

a) Responsible competition practice.

MTVC has a working and vibrant anti- corruption committee that reports to the ethics and anti- corruption commission. During the year under review, the institute sensitized its members on whistle blowing of any suspected cases of corruption. MTVC remained apolitical but maintained good relation with the county government in

MTVC adheres to the provision of PPDA and its regulations and ensure that all purchases are distributed equitably among all the groups; PWD, AGPO, Women and youths. bid to secure funding for her students through bursaries.

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At the same time MTVC implemented activities under National Cohesion and values and corruption prevention in the strategic plan, during the year under review. All the measurements are geared towards improving the living standards and welfare of Kenyans.

- ii) In maintaining good business practice and treating well suppliers by honouring contracts and respecting payment practices the College during the year under review closed the year with pending bills that are within 90 days. This was made a reality by proper management of funds and making sure that funds are utilized where they are meant for.

Corporate Social Responsibility/Community Engagements-

The College carried out various corporate social responsibilities during the year under review.

- a) Assisted to mend potholes between Kivwe Shopping Centre and MTVC
- b) Visited Kevote Small Home with foodstuff and performed some chores for them completed.

10. 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 the Institute affairs.

Principal activities

The principal activities of the institute are to provide competent skills through technology.

Results

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

Board of Governors

The members of the Board who served during the year are shown on page ix- x

Auditors

The Auditor General is responsible for the statutory audit of the Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended 30th June 2023.

By Order of the Board

MANYATTA TECHNICAL AND VOCATIONAL COLLEGE
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.....

Secretary of the Board

Nairobi

Date:.....17/5/2025

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11. Statement of Board's Responsibilities

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

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

In preparing the financial statements, the Principal has assessed the Institute's ability to continue as a going concern and 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.

Approval of the financial statements

The Institute's financial statements were approved by the Board on 29th September 2023 and signed on its behalf by:

.....

Name

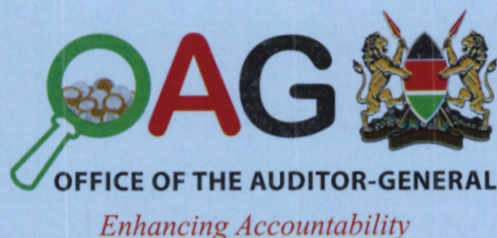
Chairperson of the Board

.....

Name

Accounting Officer/Principal

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON MANYATTA 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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Manyatta Technical and Vocational College set out on pages 1 to 26, 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 in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Manyatta 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. Inaccuracies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.63,586,967 which includes land balance of Kshs.20,000,000 as disclosed in Note 16 to the financial statements. However, land ownership documents were not provided for review. In addition, the College did not maintain a fixed asset register. The statement further reflects depreciation expenses amount of Kshs.1,251,544. However, the institution's policy on depreciation was not provided for audit.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.63,586,967 and ownership of land balance of Kshs.20,000,000 could not be confirmed.

2. Unsupported Expenditure on Capacity Building

The statement of financial performance reflects use of goods and services amount of Kshs.4,821,631 which includes capacity building amount of Kshs.144,000 as disclosed in Note 8 to the financial statements. Review of the supporting documents and records provided revealed that the management spent Kshs.133,000 on training for the principal and the deputy principal in Mombasa. However, back to office reports, signed attendance registers for the training, training program, transport tickets to show they travelled and training certificates to authenticate the expenditure were not provided for audit.

In the circumstances, the accuracy and completeness of use of goods and services amount of Kshs.133,000 could not be confirmed.

3. Variance Between Comparative Balances and Prior Year Financial Statements.

The financial statements reflect comparative balances which differ with the prior year financial statements as detailed below;

	Comparative Balance (Kshs.)	Balance as per Prior Year Financial Statements (Kshs.)	Variance (Kshs.)
Statement of Cash Flows			
Use of Goods and Services	1,188,874	1,884,874	(696,000)
increase in Receivables	-	252,217	252,217
Purchase of Property, Plant, Equipment and Intangible Assets	-	(1,556,552)	1,556,552
Cash and Cash Equivalents at end of the year	3,004,705	899,936	2,104,769
Notes to Financial Statement			
Use of Goods and Services	1,738,919	1,884,874	(145,955)

The variances have not been explained or reconciled.

In the circumstances, the accuracy and completeness of the respective balances could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amount of Kshs.14,895,096 and Kshs.13,182,010 respectively leading to under-funding of Kshs.1,713,086 or 12% of the budget. Similarly, the College spent Kshs.7,444,198 against actual receipts amount of Kshs.13,182,010 resulting into under-utilization of Kshs.5,737,812 or 44% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. Numbering of disclosure Notes to the financial statements do not correspond with the note numbers as reflected in the financial statements.
- ii. The Chairperson's statement, the statement of Board's responsibilities, the statement of financial performance and the statement of financial position have not been signed by the chairperson of the Board of Governors.
- iii. The ICPA(K) No. for the Finance Officer who signed the financial statements has not been indicated.
- iv. Management discussion and analysis and report of the Board of Governors reports do not begin on fresh pages.
- v. The Corporate governance statement does not show the date of appointment of the Board;

In the circumstances, Management was in breach of the PSASB guidelines and IPSAS and lack of relevant information may affect users' reliance on the financial statements for decision making.

2. Late Submission of Financial Statements for Audit

The College's financial statements for the year ended 30 June, 2023 were submitted to the Office of the Auditor-General on 4 April, 2025, which was after the statutory date of 30 September, 2023.

This was contrary to 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL 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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Approved Information Communication Technology Policy

The College did not have an approved Information Communication Technology (ICT) policy. In absence of an approved ICT policy, the College did not have clear guidelines in respect to data security, backup plans, password and user account management and disaster recovery plans.

In the circumstances, the reliability, integrity and recoverability of the school data could not be confirmed.

2. Lack of Internal Audit Function

Review of available records revealed that the college had not established an internal audit unit as of 30 June, 2023. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which stipulates that the entity should ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. The internal audit unit would have performed various roles stipulated by regulation 160(1) of the Public Finance Management (National Governments) Regulations, 2015 including risk assessment, putting in place a risk register, and assessing the internal controls mechanism. In the circumstances, the risks may have remained unidentified hence no mitigation mechanism in place.

In the circumstances, Management of the College operated without a mechanism for assessing and mitigating financial and operational risks.

3. Lack of Risk Management Policy

A review of the college's internal controls revealed that the college did prepare and approve a risk management policy. Therefore, the College does not have a framework for the management of risk and has not documented, risks identified, assessed and risk controls measures contrary to Section 165 of the Public Finance Management (National Government) Regulations 2015 states that the accounting officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness risk management could not be confirmed.

4. Lack of Human Resource Policy

Review of the Management and Governance structure revealed that the College had not formulated a Human Resource Policy that would guide on the human resources management. The College did not also have staff establishment and scheme of service, which may lead to inefficient utilization of resources.

In the circumstances, the effectiveness of risk management in human resource management could not be confirmed.

5. Lack of Accounting and Procurement Departments

During the financial year ended June, 2022, it was revealed that the institution did not have the personnel in accounting and procurement departments to effectively authorize the expenditure. In the circumstance, the authenticity of payments made cannot be confirmed.

Lack of Accounting and Procurement departments implies lack of proper management of finances and adherence to laws.

6. Lack of Finance Policy

The statement of financial position reflects receivables from exchange transactions balance of Kshs.6,217,880 which comprises of student debtors as disclosed in Note 15 to the financial statements. However, financial management policy was not provided for audit.

In the circumstances, the College may incur losses due to uncollected fees.

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 Management and the Board of Governors

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

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

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

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

The Board of Governors is responsible for overseeing the 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

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 May, 2025

Manyatta Technical And Vocational College
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13. Statement of Financial Performance for the Year Ended 30 June 2023

	Notes	2022-2023	2021-2022
		Shs	Shs
Revenue from non-exchange transactions			
Transfer from the national governments grants/gift in kind	5	2,844,000	500,000
Total Revenue from non-exchange transactions		2,844,000	500,000
Revenue from exchange transactions			
Rendering of services- Fees from students	6	10,338,010	5,097,750
Revenue from exchange transactions		10,338,010	5,097,750
Total revenue		13,182,010	5,597,750
Expenses			
Use of goods and services	7	4,821,631	1,884,874
Employee costs	8	1,984,801	1,184,132
Board of governors allowances	9	482,139	698,000
Depreciation and amortization expense	10	1,251,544	1,318,041
Repairs and maintenance	11	155,627	0
Total expenses		8,695,742	5,085,047
Net Surplus for the quarter		4,486,268	512,703

(The notes set out on pages 6 to 37 form an integral part of the Annual Financial Statements).

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

.....
Chairman of the Board

.....
Finance Officer

ICPAK No

Date

Date 17/5/2025

.....
Principal

Date

17/5/2025

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14. Statement of Financial Position as at 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14A	373,059	899,936
Receivables from exchange transactions	15	6,217,880	2,306,495
Total Current Assets	-	6,590,939	3,206,431
Non-current assets			
Property, plant and equipment	16	63,586,967	64,838,511
Total Non-current Assets		63,586,967	64,838,511
Total assets		70,177,906	68,044,942
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions		0	-
Total Current Liabilities		0	0
Total liabilities			
Capital and Reserves			
Accumulated surplus		6,032,798	990,664
capital fund		64,145,108	67,054,278
Total Capital and Reserves		70,177,906	68,044,942
Total Liabilities and Capital & Reserves		70,177,906	68,044,942

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

.....		
Chairman of the Board	Finance Officer	Principal
	ICPAK No	
Date	Date 17/5/2025	Date 17/5/2025

15. Statement of Changes in Net Asset for the Year Ended 30 June 2023

	Revaluatio n reserve	Fair value adjustmen t reserve	Retained earnings	Capital/ Developmen t Grants/Fund	Total
At June 30, 2022	-	-	477,961	64,145,108	64,623,069
Revaluation gain	-	-	-	-	0
Fair value adjustment on quoted investments	-	-	-	-	0
Total comprehensive income	-	-	1,068,569	-	1,068,569
Capital/Development grants received during the year	-	-	-	-	0
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-	-	0
At June 30, 2022	-	-	1,546,530	64,145,108	65,691,638
Revaluation gain	-	-	-	-	0
Fair value adjustment on quoted investments	-	-	-	-	0
Total comprehensive income	-	-	4,486,268	-	4,486,268
Capital/Development grants received during the year	-	-	-	-	0
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-	-	0
At 30th June 2023			6,032,798	64,145,108	70,177,906

Manyatta Technical And Vocational College
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16. Statement of Cash Flows for the Year Ended 30 June 2023

	Note	2022-2023	2021-2022
Cashflow from operating activities		Shs	Shs
Receipts			
Transfers from other Government entities/Govt. grants	5	2,844,000	500,000
Rendering of services	17	4,073,321	5,097,750
Total Receipts		6,917,321	5,597,750
Payments		2,844,000	
Use of goods and services	7	4,821,631	1,188,874
Employees cost	8	1,984,801	1,184,132
Board of governors allowances	9	482,139	698,000
Repair maintenances and development	11	155,627	0
Total Payments		7,444,198	3,071,006
Net cash flow from operating activities		-526,877	2,526,744
cash flow from investing activities			
Purchase of property, plant, equipment and intangible assets			
Proceeds from sale of property, plant and equipment		-	
Net cash flows used in investing activities			
Cash flows from financing activities			
Proceeds From Borrowing			
Repayment Of Borrowings			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		899,936	477,961
Cash and cash equivalents end of the quarter		373,059	3,004,705

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

	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	Variance	Variance Differences
	a	b	c=a+b	d		e=d/c %
Revenue	Kshs	Kshs	Kshs	Kshs		Kshs
Transfers from other Govt entities Govt grants	2,000,000		2,000,000	2,844,000	-844,000	142
Rendering of services- Fees from students	12,895,096	0	12,895,096	10,338,010	2,557,086	80
Total income	14,895,096	0	14,895,096	13,182,010	1,713,086	88
Expenses					0	
Compensation of employees	3,926,400	0	3,926,400	1,984,801	1,941,599	51
Use of Goods and services	7,476,696	0	7,476,696	4,821,631	2,655,065	64
Remuneration of directors	1,184,000	0	1,184,000	482,139	701,861	41
RMI	2,308,000	0	2,308,000	155,627	2,152,373	7
Total expenditure	14,895,096	0	14,895,096	7,444,198	7,450,898	50
Surplus for the period	0	0	0	5,737,812		39

Budget notes

- ✓ **The** Transfers from other Govt variation was due to increase in students population hence more capitation
- ✓ Compensation of employees variance was due to increase in number of staff
- ✓ Use of Goods and services variance was due to huge fees balance hence non collection of cash revenue
- ✓ RMI variance was due to huge fees balance hence non collection of cash revenue hence reduced board meetings

18. Notes to the Financial Statements

1. General Information

Manyatta technical and vocational college is established by and derives its authority and accountability from TVET Act 2013. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is to provide competence through technology.

2. Statement of Compliance and Basis of Preparation

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

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

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Institute's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • 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 Institute's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Institute provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Institute. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Institute's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

MANYATTA TECHNICAL AND VOCATIONAL COLLEGE
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Standard	Effective date and impact:
	c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

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

iii. Early adoption of standards

The Institute did not early-adopt any new or amended standards in year 2023.

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Institute 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 Institute 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 Institute.

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.

b) Budget information

The original budget for FY 2022/2023 was approved by the Board or Board on 08/04/2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Institute upon receiving the respective approvals to conclude the final budget. Accordingly, the Institute recorded additional appropriations of on the FY 2022/2023 budget following the Board/ Board's approval. The Institute'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

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the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page *I* under section *I* of these financial statements.

c) Taxes

Current income tax

The Institute is exempt from paying taxes as per 1st schedule of the income tax Act.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Institute 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.

e) 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.

f) Research and development costs

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

- i. The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii. Its intention to complete and its ability to use or sell the asset.
- iii. How the asset will generate future economic benefits or service potential
- iv. The availability of resources to complete the asset.
- v. 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.

g) 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. A financial instrument is any contract that gives rise to a financial asset of one Institute and a financial liability or equity instrument of another Institute. At initial recognition, the Institute measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The Institute 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 Institute'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 cash flows 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 Institute 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 Institute 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

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Institute 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 Institute 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 Institute recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 25(i).

Financial liabilities

Classification

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

h) 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:

- a) Raw materials: purchase cost using the weighted average cost method.
- b) 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.

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

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

i) Provisions

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

Contingent liabilities

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

j) 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 Institute 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 Institute will incur in fulfilling the present obligations represented by the liability.

k) Nature and purpose of reserves

The Institute creates does not maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

The Institute provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Institute pays fixed contributions into a separate Institute (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. **(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.

n) 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.

o) Related parties

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

p) Service concession arrangements

The Institute 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 Institute 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

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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 Institute also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

q) Cash and cash equivalents

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

r) Comparative figures

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

s) 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.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute 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 Institute. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is provided below.

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.

- a. Bad Debts are written off after a period of 10 years as set out in credit and debt management policy currently since the Institute started to be audited by the Auditor General in the FY 2018-2019 no debts are above 10 years thus no provision for bad debts.

Bad debts are provided at the following rates

S no	Age Of Debtors	Rate
1	o 241 -360 days	5
2	o Up to1 year	20
3	o Up to 2 years	50
4	o Up to 3 years	75
5	o Up to 4 years	100

- b. Obsolete stocks are disposed in conformity with Public Procurement and Asset Disposal Act of and an asset disposal committee considers the prevailing market prices.

Depreciation

Depreciation is charged on a reducing balance basis over the estimated useful lives of the assets.

The annual rates of depreciation used shall be as

No	Classification of asset	Rate
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i.	Building	2 %
ii.	Plant, Machinery and equipment	12.5%
iii.	Office Equipment and computer accessories	12.5%
iv.	Computer equipment	30%
v.	Motor vehicles- Buses & others	25%
vi.	Furniture and fittings	12.5%
vii.	Library books	20%

6. (A) Transfers from other National Government entities

	Period ended 30th June 2023	Comparative Period
Description	Shs	Shs
Unconditional grants		Shs
Capitation	844,000	-
Recurrent grants	2,000,000	500,000
Total	2,844,000	500,000
Conditional grants		
Transfer from CDF	0	0
Total government grants and subsidies	2,844,000	500,000

6(b) Transfers from other Government entities (Categorized)

Name of the entity sending grants	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year
	KShs	KShs	KShs	KShs
state departments of technical training	2,844,000	-	-	2,844,000
National governments developments fund	-	-	-	-
Total	2,844,000	0	0	2,844,000

7. Rendering of Services

	Period ended 30th June 2023	Comparative Period
Description	Shs	Shs
Tuition	3,213,000	1,575,000
PE	1,805,400	885,000
EWS	497,250	243,750
Repairs maintenance and improvements	489,600	240,000
ACT	668,610	327,750
DEV	1,377,000	675,000
LTT	581,400	285,000
Exam	1,246,750	641,250
Caution	76,500	37,500

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Student ID	76,500	37,500
ADM	76,500	37,500
KUCCPS	229,500	112,500
Total revenue from rendering of services	10,338,010	5,097,750

These are income from students' invoices

8. Use of Goods and Services

	Period ended 30th June 2023	Comparative Period
DESCRIPTION	Shs	Shs
NITA Exam fee	180,000	20,000
KNEC Exam fee	445,000	112,545
Exam materials	58,000	
Electricity	162,482	
Water	67,586	
Insurance	8,140	
Capacity Building	144,000	
Training Materials	788,506	
Training Equipment	162,696	1,172,874
Fees Refund	3,000	
Trainees welfare (speaker)	8,000	
Sanitation	20,880	
Kitchen	120,520	
PSC Trainer Recruitment	193,652	
LT & T	200,000	24,900
Student ID	22,800	
Marketing	31,200	
Games and sports	522,550	
Katti Subscription	100,000	
KATTI Seminars & Workshops	341,000	183,000
Administration costs	35,840	
Postai rental	8,285	
Plumbing wall	22,800	
Official journeys	140,000	105,600
Desk top Computers		50,000
KUCCPS Registration		70,000
Bank charges	12,200	0
Security Services	196,400	
Stationeries	103,942	
Purchase of Furniture	320,000	
Purchase of computer and computer services	265,552	
Purchase of Airtime	136,600	
Total	4,821,631	1,738,919

9. Employee Costs

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	Period ended 30th June 2023	Comparative Period
DESCRIPTION	Shs	Shs
National hospital insurance fund	16,200	-
Salaries and Wages	1,968,601	1,184,132
Total	1,984,801	1,184,132

10. Board Expenses

Description	Period ended 31st June 2023	Comparative Period
	Shs	Shs
Board of governors allowances	482,139	698,000
Total remuneration of directors	482,139	698,000

11. Depreciation and Amortization expense

Description	Period ended 30th June 2023	Comparative Period
	Shs	Shs
Property, plant and equipment	1,251,544	1,318,041
Total depreciation and amortization	1,251,544	1,318,041

12. Repairs and Maintenance

Description	Period ended 30th June 2023	Comparative Period
	Shs	Shs
Repairs maintenance and improvements	155,627	-
TOTAL	155,627	0

13. Cash and Cash Equivalents

14.(a) CASH AND CASH EQUIVALENTS		
Description		
	Period ended 30th June 2023	Audited prior year
	Shs	Shs
Current account		
Equity bank	373,059	899,936
Cash at hand	0	
Total cash and cash equivalents	373,059	899,936

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

		Period ended 31st December 2022	Audited prior year
Financial institution		Kshs	Kshs
a) Current account	Account number		
Equity Bank	0140262856816	373,059	899,936
Sub- total		373,059	899,936
B) Others(specify)			
cash in hand		0	0

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Sub- total		0	0
Grand total		373,059	899,936

14. A) Receivables from Exchange transactions

Description	Period ended 30th June 2023	Comparative Period
Current receivables	Shs	Shs
Student debtors	<u>6,217,880</u>	0
Total receivables	6,217,880	0

14 b) aging analysis of Receivables from Exchange transactions

	2022-2023	2022-2023	2021-2022	2021-2022
Description	Kshs	% of the total	Kshs	% of the total
Less than 1 year	2,000,000	32%	2,306,495	100%
Between 1- 2 years	4,217,880	67.8%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	6,217,880	%	2,306,495	%

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15. Property, Plant and Equipment

	Land	Buildings	Computers/Computer Accessories	furniture and fittings	Motor vehicle	Total
		2.5%	30%	12.5%	15%	
Cost						
At 30th June 2021	20,000,000	45,000,000	-	-	-	179,320,207
Additions			265,552	811,000	80,000	1,156,552
Cost/capitalized	-	-	-	-	-	0
Disposals	-	-	-	-	-	0
Transfers/adjustments	-	-	-	-	-	0
At 30th June 2022	20,000,000	45,000,000	265,552	811,000	80,000	66,156,552
Additions						0
Cost/capitalized						0
Disposals						0
Transfers/adjustments						0
At 30th June 2023	20,000,000	45,000,000	265,552	811,000	80,000	66,156,552
Depreciation and Impairment						
At 30th June 2021						0
Depreciation	0	1,125,000	79,666	101,375	12,000	1,318,041
Disposals	-	-	-	-	-	0
Impairment	-	-	-	-	-	0
Transfers/adjustments	-	-	-	-	-	0
At 30th June 2022		1,125,000	79,666	101,375	12,000	1,318,041
Depreciation		1,096,875	55,766	88,703	10,200	1,251,544
Disposals						0
Impairment						0
Transfers/adjustments						0
At 30th June , 2023		2,221,875	135,432	190,078	22,200	2,569,585
Net book values						
At 30th June 2023	20,000,000	42,778,125	130,120	620,922	57,800	63,586,967
At 30th June 2022	20,000,000	43,875,000	185,886	709,625	68,000	64,838,511

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17 Reconciliation of the amount in the statement of financial statement and statement of cash flow

Description	2022-2023	2021-2022
	KShs	KShs
Rendering of services in the statement of financial performance	10,338,010	
(less) 2023- 2024 fees debtors	5,516,379	
Rendering of services in the cash flow statement	<u>4,821,631</u>	-

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were re-valued by Milestone Land Access Limited professional valuers on September 2021. These amounts were adopted in the financial statements on 21st September 2021.

16. Financial Risk Management

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

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

(i) Credit risk

The Institute 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 Institute'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	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Receivables from exchange transactions	2,306,495	2,306,495	0	0
Receivables from non-exchange transactions				
Bank balances	899,936	899,936		
Total	3,206,431	3,206,431	0	0
At 30 June 2023				
Receivables from exchange transactions	6,217,880	6,217,880		
Receivables from non-exchange transactions				
Bank balances	373,059	373,059		
Total	6,590,939	6,590,939	0	0

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 Institute has significant concentration of credit risk on amounts due from 3 months

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 Institute's directors, who have built an appropriate liquidity risk management framework for the management of the Institute's short, medium and long-term funding and liquidity management requirements. The Institute 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				
Fees paid in advance	0	0	0	0
Trade Payables	0	0	0	0
Refundable deposits from customers	0	0	0	0
Total	0	0	0	0
At 30 June 2023				
Fees paid in advance	0	0	0	0
Trade Payables	0	0	0	0

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Refundable deposits from customers	0	0	0	0
Total	0	0	0	0

(iii) Market risk

The Institute has put in place an internal audit function to assist it in assessing the risk faced by the Institute on an on-going 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 Institute'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 Institute'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 Institute's exposure to market risks or the manner in which it manages and measures the risk.

iv) Capital Risk Management

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	6,032,798	990,664
Capital Reserve	64,145,108	67,054,278
Total Funds	70,177,906	68,044,942
Total Borrowings	0	0
Less: Cash and Bank Balances	373,059	899,936
Net Debt/(Excess Cash and Cash Equivalents)		
Gearing	53.16%	132.26%

17. Related Party Balances

Nature of related party relationships

Entities and other parties related to the Institute 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

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;
- v) Local Community
- vi) Support Staff
- vii) Trainees

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

18. Events After The Reporting Period

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

19. Ultimate And Holding Institute

The Institute is a TVET institute under the Ministry of Education. Its ultimate parent is the Government of Kenya.

20. Currency

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

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21. 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)
Basis for Qualified Opinion				
1.				
4				
Key Audit Matters				
1				
2				
Basis for Conclusion				
1				
2				
Conclusion				
1				
2				

Name: *David Nthugi*
Accounting Officer
Chief Principal / Secretary Board of Governors
Date: *12/5/2023*

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**Appendix II: Projects Implemented by
Manyatta Technical And Vocational College
Projects**

Projects implemented by the institute Funded by development partners.

Note: Within the year, the institute didn't receive development fund from the government and development partners.

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

Status of Projects completion

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

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Appendix III- Inter-Institute Confirmation Letter



MINISTRY OF EDUCATION
STATE DEPARTMENT OF VOCATIONAL & TECHNICAL TRAINING
Manyatta Technical and Vocational College

P.O. BOX 2824 - 60100 EMBU. Tel: 0740572437
Email: manyattatvc@gmail.com Website: www.manyattatvc.ac.ke



The Ministry of Education 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 Manyatta technical and vocational colleges at 30th June 2023

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received by Manyatta technical and vocational college (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)		
DTE/CAP 9/36(38)	27-10-2022	10,670,000	0	0	10,670,000	10,670,000	0
DTE/CAP 9/36(38)	26-01-2023	8,949,000	0	0	8,949,000	8,949,000	0
DTE/CAP 9/36(38)	29-06-2023	9,464,000	0	0	9,464,000	9,464,000	0
Total		29,083,000	0	0	29,083,000	29,083,000	

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

Head of Accountants department of beneficiary Institute:

Name Sign Date

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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/preparedness)	Expenditure item	Amount (Kshs.)	Comments