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**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 27 JUN 2023	DAY: TUESDAY
TABLED BY:	Hon. Owen Baya, MP Deputy leader, majority
CLERK-AT-THE-TABLE:	Inzofu mwale

**THE AUDITOR-GENERAL**

**ON**

**GARSEN TECHNICAL AND  
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2022**



MINISTRY OF EDUCATION STATE DEPARTMENT OF TECHNICAL AND VOCATIONAL TRAINING  
**GARSEN TECHNICAL AND VOCATIONAL COLLEGE**  
P.O BOX 155 (80201): Telephone: 0790421407 - GARSEN  
TANA RIVER COUNTY  
Email: [garseninstitute@gmail.com](mailto:garseninstitute@gmail.com)



OUR VISION: To be the best at serving society by producing graduates for dynamic and global careers

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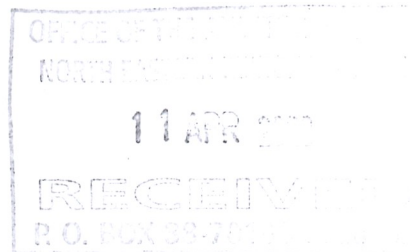
**GARSEN TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE 2022**

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





**GARSEN TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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## **KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

Garsen Technical and Vocational College is a government Technical and Vocational Education and Training (TVET) institution established under the TVET Act 2013 in the year 2017. It is located in Shirikisho ward, Tana Delta Sub-County of Tana River County at about 3km west of Minjila trading centre next to the Tana Delta Deputy County Commissioner's office. It is duly registered by the Technical and Vocational Education and Training Authority (TVETA) under the registration number TVETA/PUBLIC/RC/0061/2017. The college offers technical and business courses at Artisan, Certificate and Diploma levels, all of which are examined by the Kenya National Examinations Council (KNEC). The goal of such courses is to increase access to technical and business training to the Kenyan youths. The college currently has a population of 121 trainees distributed in four admitting departments, that is, Building and Civil Engineering, Electrical and Electronics, Computing and Informatics and Business Studies. It has a staff population of 15 members.

**(b) Principal Activities**

The principal activity is to offer technical and business courses aimed at increasing technical and business skills to Kenyan youths.

**(c) Key Management**

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

Board of Governors  
 Principal/ Accounting officer  
 Deputy Principal  
 Registrar  
 Head of finance

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mr. Haji Mwachirimira
2.	Deputy principal	Mr. Robert Mwanyamba Fondo
3.	Ag. Registrar	Mr. Michael Nyanjui Wang'ombe
4.	Head of Finance	Ms. Prism Habuya Azikilwe
5.	Head of Building Department	Herbert Ogeda Odhiambo
6.	Head of Electrical Department	James Gichana Mabuka
7.	Head of ICT Department	Celestine Nasimiyu Watti

**(e) Fiduciary Oversight Arrangements**

- Risk and Audit Committee
- Governance, Human Resource and Management Committee
- Academic Committee

**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(f) Entity Headquarters**

P.O. Box 155 Code 80201  
Mombasa-Garissa road,  
Garsen, Kenya.

**(g) Entity Contacts**

Telephone: 0790421407  
Email: garseninstitute@gmail.com  
Website: www.garisentvc.ac.ke

**(h) Entity Bankers**

Kenya Commercial Bank  
Garsen – branch  
P.O. Box 54-80201  
Garsen, Kenya.  
Account no: 1275580645


**(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

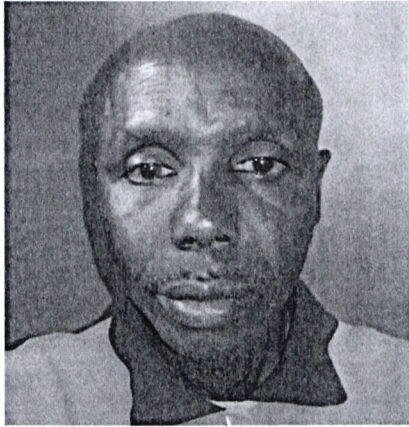

**THE BOARD OF GOVERNORS**

No.	Member/ Director	Details
1.	 <p>Eng. Mwaka Mungatana Chairman:-</p> <ol style="list-style-type: none"> <li>1. Board of Governance</li> <li>2. Executive Committee</li> </ol>	<p>Age 58 years: 16<sup>th</sup> October 1964</p> <ul style="list-style-type: none"> <li>- MBA. Chain Management</li> <li>- BSC. Mechanical Engineering- Nairobi University</li> <li>- A PhD. B/ADMN student currently</li> </ul> <p><b>Work experience</b></p> <ul style="list-style-type: none"> <li>- August 2001 to date Chief Technical &amp; Environmental Officer Tsavo Power company</li> <li>- 2022 April to date :Chairman Institution of Engineers of Kenya(Coast Branch)</li> <li>- 2012-2022: Secretary Institution of Engineers of Kenya(Coast Branch)</li> <li>- Council Member Kibabii University September 2018 to date &amp; currently chairman Finance, strategy and development committee.</li> <li>- BOG chairman Ngao Girls Secondary School 2007 to 2019 (National School</li> <li>- Was Chairman of the Audit Monitoring and Evaluation Committee within the board of TARDA</li> <li>- Between 2003 and 2005 he was chairman of the finance and planning committee TARDA.</li> </ul>
2.		<p>Age 40 years: 01/01/1982</p> <ul style="list-style-type: none"> <li>- Master's degree in international studies, from Nairobi University</li> <li>- BA. Communication &amp; Sociology Nairobi University &amp;</li> <li>- Diploma in Public relations Nairobi University</li> </ul>



	 <p>Mrs, AlgiHadijaHarufa BOG Member</p>	<p>Work experience</p> <ul style="list-style-type: none"> <li>- Research Officer in Cedia-Utawala based at Strathmore Governance Centre; Data gathering, data Analysis, a fact-finding service for different clients. For instance research done with researchers from Sussex University, UK</li> <li>- Worked as an Office Administrator in the office of Planning Monitoring and Evaluation- National Museum of Kenya</li> <li>- Worked as a Customer care Officer- National Museum of Kenya</li> </ul>
<p>3</p>	 <p>Mohamed BwanaidiDhidha BOG Member &amp; Chairman: Governance, Human Resource &amp; Management Committee</p>	<p>Age 60 years:15th July 1962</p> <ul style="list-style-type: none"> <li>- (PhD) - Conservation Ecology. Université de Rennes1, France,</li> <li>- MSc in (Environmental and Ecological Sciences). Lancaster University, United Kingdom</li> <li>- Bachelor of Science (Biological Sciences – Botany and Zoology). University of Nairobi</li> <li>- Certificate – Balanced Scorecard and Strategic Planning,</li> <li>- Certificate – Marine Life Management: KWS &amp; JAICA, Nairobi, Kenya.</li> <li>- Certificate – Marine Protected Area Management:</li> <li>- Certificate – Wetlands Management</li> </ul> <p><b>Work experience</b></p> <ul style="list-style-type: none"> <li>- 2017 – Present Part Time Lecturer – Technical University of Mombasa, Department of Environmental &amp; Health Sciences (Marine and Fisheries Programme</li> <li>- 2013 – 2017: Programme Manager - Tana Delta Environment Management Forum (TADEMFO) Trust, Tana Delta</li> <li>- 2007 – 2013: Senior Lecturer –</li> </ul>



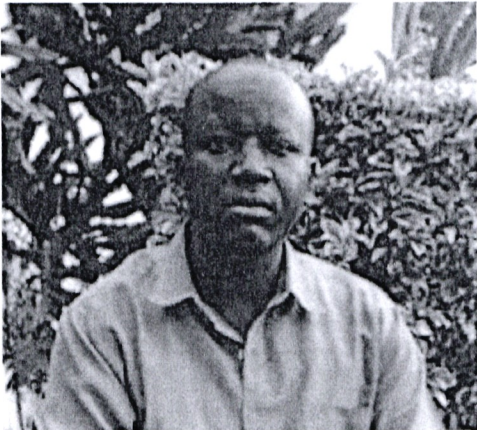
		<p>Kenya Wildlife Service Training Institute (KWSTI), Naivasha</p> <ul style="list-style-type: none"> <li>- 2005 – 2007:Senior Scientist – Marine and Wetlands Conservation Programme, KWS, Nairobi</li> <li>- 2003 – 2005: Senior Scientist – Coast and Marine Protected Areas, KWS Coast, Mombasa.</li> </ul>
4	 <p>KulmieAdhan Bashir BOG Member</p>	<p>32 Years: 12th March 1990</p> <ul style="list-style-type: none"> <li>- Bachelor of Business and Information Technology(BIT)</li> </ul> <p>Work Experience</p> <ul style="list-style-type: none"> <li>- Office Administrator-Bit &amp; Lubes Co. Installing and configuring computer hardware systems</li> <li>- ICT Officer- IEBC</li> <li>- Configuring and maintaining Bvr Kits</li> </ul>
5	 <p>Nyera Mango Sibagaya BOG Member &amp; Chairman: Risk &amp; Audit Committee</p>	<p>Age 58 years:24<sup>th</sup> August 1964</p> <ul style="list-style-type: none"> <li>- Master's degree in Science in Commerce (MSc-Finance and Investment Option) KCA University,</li> <li>- Bachelor of Commerce (Accounting Option) Degree.-KCA</li> <li>- Diploma in Technical Education (Business Education).</li> <li>- Certified Public Accountant of Kenya (CPAK)</li> <li>- Certified Public Secretary (CPS)</li> <li>- Certified Investment and Financial Analyst (CIFA) Part II On Going</li> </ul> <p>Work Experience</p> <ul style="list-style-type: none"> <li>- September 2013 to-date (Certified Public Accountant) Practicing Accountant.- SIBA &amp; Associates</li> <li>- Managing Partner in Siba and Associates- in charge of operations</li> </ul>



		<ul style="list-style-type: none"> <li>- Audit assurance services, accounting services and tax consultancy assignments\</li> <li>- May 2002 to february 2007:</li> <li>- AAC kenya (formerly-Abdul wahid Aboo and company) Certified Public Accountant</li> </ul>
<p>6</p>	 <p>Eng: Najash Ahmed Hafidh BOG Member</p>	<p>Age: 55 years: 1st January 1967</p> <ul style="list-style-type: none"> <li>- BSc. in Civil Engineering from Jomo Kenyatta University of Agriculture &amp; Technology (JKUAT)</li> <li>- Higher National Diploma in Water Engineering from Kenya Polytechnic</li> <li>- Diploma in Technical Education- Building &amp; Civil Engineering – KTTC</li> <li>- Diploma in Water Technology</li> </ul> <p>Work experience</p> <ul style="list-style-type: none"> <li>- Principal Engineering Technologist National Museums of Kenya</li> <li>- Supervisor – European Union Building restoration Project, Old Town, Mombasa</li> <li>- Head of Production Unit &amp; Income Generating activities</li> <li>- Joinery Trainer at the UNDP/ILO/KEN/90/021 Project</li> <li>- Building Supervisor at Coast Builders – Mombasa</li> </ul>

7	 <p>Mwandaa Philemon Mwaghadi BOG Member</p>	<p>Age: 55 years: 7<sup>th</sup> Feb 1967          . He holds a Bachelor of Science degree in Agricultural Engineering from Egerton University</p> <p><u>Work Experience</u></p> <ul style="list-style-type: none"> <li>- Currently venturing into private business</li> <li>- 2013-2015: Resource Person/Lecturer Bandari College KPA-Marine Engineering department.</li> <li>- 2011-2013: Part Time Lecturer Technical University of Mombasa – Mechanical&amp; Building and Civil Engineering Departments.</li> <li>- 2007-2010: Production Manager Kenya Tea Development Agency (KTDA) ltd Factories.</li> </ul> <p>2004-2007: Production Coordinator – KTDA Factories</p>
8	 <p>Haji Mwachirimira Principal Secretary to the Board</p>	<p>Age 54 years: 02/02/1968</p> <ul style="list-style-type: none"> <li>- Bachelor of Technology Civil Engineering</li> <li>- Diploma Technical Education Building &amp; Civil Engineering</li> <li>- Ordinary Diploma Building</li> <li>- Senior Management Course (KSG)</li> </ul> <p>Work experience</p> <ul style="list-style-type: none"> <li>- 29 years Teaching experience</li> <li>- 2009-2019 HOD Building Dept Coast Institute of Technology-Voi</li> <li>- 1997-2003 Exams &amp; maintenance officer Coast Institute of Technology</li> </ul>

**MANAGEMENT TEAM**

No.	Member	Details
1.	 <p>Haji Mwachirimira Principal Secretary to the Board</p>	<p>Age 54 years: 02/02/1968</p> <ul style="list-style-type: none"> <li>- Bachelor of Technology Civil Engineering</li> <li>- Diploma Technical Education Building &amp; Civil Engineering</li> <li>- Ordinary Diploma Building</li> <li>- Senior Management Course (KSG)</li> </ul> <p>Work experience</p> <ul style="list-style-type: none"> <li>- 29 years Teaching experience</li> <li>- 2009-2019 HOD Building Dept Coast Institute of Technology-Voi</li> <li>- 1997-2003 Exams &amp; maintenance officer Coast Institute of Technology</li> <li>- He is the principal</li> </ul>
2.	 <p>Robert Mwanyamba Fondo Deputy Principal</p>	<p>Age 30 years: 04/10/1992</p> <ul style="list-style-type: none"> <li>- Bachelor of Science in Construction Management</li> <li>- Diploma Technical Education Building &amp; Civil Engineering</li> </ul> <p>Work experience</p> <ul style="list-style-type: none"> <li>- 3 years working/teaching experience</li> <li>- 1 year as Ag. Deputy Principal</li> <li>- He is the Deputy Principal</li> </ul>

3.	 Michael Nyanjui Wang'ombe Ag. Registrar	Age 30 years: 27/04/1992 - Bachelor of Technology Civil Engineering-Ongoing - Diploma in Civil Engineering - Diploma Technical Education Building & Civil Engineering  Work experience - 3 years working/teaching experience - He is the Ag. Registrar
4.	 Prism Habuya Azikilwe Head of Finance	Age 25 years: 04/06/1997 - Bachelor of commerce- Finance option. - CPA part 2 - Work experience - 1 year Accounts Intern-PSC - 1 year Accounts and finance Intern-NSSF - She is the Head of Finance
5.	 Herbert Ogeda Odhiambo HOD-Building & Civil Engineering Department	Age 43 years: 09/09/1979 - Bachelor of Technology Civil Engineering-Ongoing - Diploma in Civil Engineering - Diploma Technical Education Building & Civil Engineering  Work experience - 3 years working/teaching experience - He is the HOD-Building & Civil Engineering Department

6.	 <p>James Gichana Mabuka HOD-Electrical &amp; Electronics Engineering Department</p>	<p>Age 33 years: 04/06/1989</p> <ul style="list-style-type: none"> <li>- Higher Dip in Telecommunication Engineering</li> <li>- Dip in Telecommunication Engineering</li> <li>- Diploma in Technical Teacher Education</li> </ul> <p>Work experience</p> <ul style="list-style-type: none"> <li>- 2 years working/teaching experience</li> <li>- He is the HOD-Electrical &amp; Electronics Engineering Department</li> </ul>
7.	 <p>Celestine Nasimiyu Watti HOD-Computer Studies Department</p>	<p>Age 27 years: 07/01/1995</p> <ul style="list-style-type: none"> <li>- Bachelor of Science in Computer Science</li> <li>- Diploma in Technical Teacher Education</li> </ul> <p>Work experience</p> <ul style="list-style-type: none"> <li>- 3 years working/teaching experience</li> <li>- She is the HOD-Computer Studies Department</li> </ul>

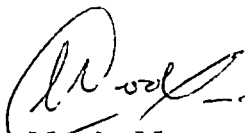
## **CHAIRMAN'S STATEMENT**

Garsen Technical and Vocational College was established to provide adequate and relevant knowledge and skills to its trainees to enable them to contribute towards the attainment of our country's vision 2030 strategic objectives and supporting the drive in realizing the objectives of the National Government Big Four agenda. In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate academic programs in several ways that will ensure their competitiveness in terms of quality and relevance. The sources of funding for the college at the end of this period i.e. 30th June 2022, was student's capitation amounting to Kshs 1,755,000 and appropriation in aid amounting to kshs. 100,000. The college realized an aggregate income of Kshs. 528,609 in revenue during the period ended 30th June 2022. The recurrent expenditure totaled Kshs. 3,410,358. The college closed the year with a surplus of Kshs 7,529,962.

The college requires a lot of support from the National Government and other stakeholders in terms of funding, material support and other contributions.

We shall continue to appeal for such support for several years to come. On behalf of the college, I take this opportunity to thank the national government for its support. I also appreciate the management team, staff members and our trainees for their cooperation during this period. I wish to register my gratitude to them all.

I look forward to their continued support in the new financial year and the subsequent periods ahead.



**Eng. Mwaka Mungatana**

**BOG Chairman**

Date: ..... 27/09/2022 .....

## **REPORT OF THE PRINCIPAL**

**Dear Stake holders,**

Garsen Technical and Vocational College has continued to position itself as the leading technical training institution in the County. It is in the final stage of coming up with its 2022-2026 Strategic plan. The strategic plan is being prepared on the basis of the vision 2030 and other strategic priorities of the government as outlined in the Constitution of Kenya 2010.

The institute's core values of transparency and accountability, integrity and honesty, teamwork, innovation and creativity, excellence and meritocracy, customer satisfaction and social responsibility have played a great role in realizing the institute's dream of impacting technological skills and knowledge for self-reliance.

### **Operational and Financial Performance**

The institute continues to deliver on its key mandate to providing quality training in technical, vocational and entrepreneurship skills for sustainable development. This financial year recorded a surplus of Kshs7,529,962 which was occasioned by the late remittance of capitation grants.

### **Compliance with Statutory Requirements**

During the period under review, the institute complied with all its statutory obligations including compliance with Public Procurement Regulations, remittance of PAYE, NHIF and NSSF within the stipulated deadlines. The institute does not foresee any potential for contingent liabilities arising from non-compliance with statutory obligations.

### **Major Risks and Challenges Facing the Institution**

Garsen Technical and Vocational College continues to face pressure on existing resources due to inadequate learning infrastructure exacerbated by the increasing student enrolment. The teachers and non-teaching staff to student ratio remains low. Budgetary constraints have contributed to lack of development projects.

### **Future Outlook**

We are looking forward to harness the ISO 9001:2005 certification and strategic plan (2022 - 2026) to guide the institute's future developments, improve service delivery and achieve set goals and objectives. We also anticipate an increase in student enrolment, attain adequate staffing levels and improve learning infrastructure. Our ultimate objective is to acquire polytechnic status.

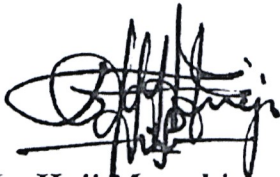
**REPORT OF THE PRINCIPAL (continued)**

**Conclusion**

During the year under review, the institute has introduced several new initiatives and measures to make its services more efficient and accessible. I take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

I commend the Board, Management and staff for their tireless efforts and commitment to the attainment of Garsen Technical and Vocational College set targets. I am truly honoured to serve alongside them as we endeavour to redefine the role played by Garsen Technical and Vocational College and drive the institute towards the realization of its strategic goals and objectives.

On behalf of Board, Management, Staff and Students, I would like to appreciate the support accorded to Garsen Technical and Vocational College by the GOK through The National Treasury & the Ministry of Education, State Department for Vocational and Technical Training. We look forward to your continued support.



**Mr. Haji Mwachirimira**

**Principal/Secretary BOG**

Date: ..... 27/09/2022 .....

**GARSEN TECHNICAL AND VOCATIONAL COLLEGE PERFORMANCE FOR THE YEAR ENDED JUNE 30 2022**

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

Garsen Technical and Vocational College has 4 strategic pillars and objectives within its Strategic Plan for the FY2022-2026. These strategic pillars are as follows:

<b>Strategic Pillar</b>		<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Pillar 1:	Corporate image	To enhance the institute's corporate image	No. of CSR activities undertaken Visits to the institute's website	Increase CSR initiatives Continuous marketing activities	Improved college outlook
Pillar 2:	Financial sustainability	To increase financial sustainability	Financial audit reports Revenue turnover trends	Enhance internal controls and audits	Minimized risks of financial mismanagement
Pillar 3:	Training and learning	To improve training and learning	Number of new/ modern training and learning techniques introduced	Number of new/ modern training and learning techniques introduced	Increased enrolment Increased revenue
Pillar 4:	Human resource capacity	To improve the institute's Human Resource Capacity	Number of staff trained Number of workshops and seminars held	Sponsor staff for training	Improved knowledge and technical skills
Pillar 5:	ICT integration	To fully Integrate ICT in the institute	Number of ICT equipment purchased	Purchase additional ICT equipment for the institute	Enhanced learning and service delivery

## **CORPORATE GOVERNANCE STATEMENT**

Garsen Technical and Vocational College is committed to the values and principles of good corporate governance as an integral part of corporate culture and guides the manner in which its Governors, management, staff and students conduct the business of the organisation. As a public-sector organization dedicated to providing quality service to its stake holders, the Institution decisions are guided by the core tenets prescribed in the public Officers Ethics Act, The leadership and Integrity Act, The Authorities Code of Conduct, corporate Governance guidelines Board and Board Committee Charters. The Institution endeavours to develop, strengthen and sustain the trust that the Government, employees, students and public has placed in it. The board is committed to regularly evaluate national and international emerging standards in responsible, transparent and efficient management with a view of enhancing corporate governance at the Institution and consistently deliver on its statutory mandate.

### **Role of the Board of Governors**

The primary function of the Board of Governors ‘(The Board) is to provide effective strategic leadership and direction to enhance the long-term achievement of Garsen Technical and Vocational College strategic plan. The strategic plan overall objective is to enhance the achievement of the institute’s objectives on priority basis and in line with the policies of the Ministry of Education (MOE), the Vision 2030 and the Big 4 Agenda of the government.

### **The Board Size, Composition and Independence**

The Board consists of 9 Governors. The Board composition draws a good mix of skills, experience and proficiencies in various fields. The Governors’ biographies are shown on pages iv to vi.

### **Board Remunerations**

The non-executive Board members are paid sitting allowances for every meeting attended. Governor’s fees are paid to non-executive Board members who are not representing any Government institution.



Mr. Haji Mwachirimira

Principal/Secretary BOG

Date: ..... 27/09/2022 .....

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Garsen Technical and Vocational College has continued to position itself as the leading technical training institution in the County. It is in the final stage of coming up with its 2022-2026 Strategic plan. The strategic plan is being prepared on the basis of the vision 2030 and other strategic priorities of the government as outlined in the Constitution of Kenya 2010.

The institute's core values of transparency and accountability, integrity and honesty, teamwork, innovation and creativity, excellence and meritocracy, customer satisfaction and social responsibility have played a great role in realizing the institute's dream of impacting technological skills and knowledge for self-reliance.

The institute continues to deliver on its key mandate to providing quality training in technical, vocational and entrepreneurship skills for sustainable development. During the period under review, the institute complied with all its statutory obligations including compliance with Public Procurement Regulations, remittance of PAYE, NHIF and NSSF within the stipulated deadlines. The institute does not foresee any potential for contingent liabilities arising from non-compliance with statutory obligations.

Garsen Technical and Vocational College continues to face pressure on existing resources due to inadequate learning infrastructure exacerbated by the increasing student enrolment. The teachers and non-teaching staff to student ratio remains low. Budgetary constraints have contributed to lack of development projects.

We are looking forward to harness the ISO 9001:2005 certification and strategic plan (2022 - 2026) to guide the institute's future developments, improve service delivery and achieve set goals and objectives. We also anticipate an increase in student enrolment, attain adequate staffing levels and improve learning infrastructure. Our ultimate objective is to acquire polytechnic status.

During the year under review, the institute has introduced several new initiatives and measures to make its services more efficient and accessible. I take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

## **CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY**

In line with its mission and values, Garsen Technical and Vocational College is sensitive to the impact of our activities on our students, employees, partners and other stakeholders, as well as on the community and its environment.

The College is committed to the maintenance of principled standards, respect and accountability across all its activities; these include and not limited to the following;

- Treating employees with fairness and respect, support staff development through allowing its staff to attend trainings and workshops, volunteering in community, county and national government activities
- The student council has a budget on community day where students visit trading centres around Minjila and in Garsen, they also participate in cleaning and tree planting in Minjila trading centre town during environmental days.
- Our students mostly reside at the college, others at Minjila and other areas Minjila trading centre. This has boasted local investors who have rental houses and food eateries and other small and medium enterprises.

The College shall continue to collaborate with all stakeholders on issues that benefit the development of the country, growth of industries as well as giving back to the society. Garsen Technical and Vocational College therefore shall continue to play its crucial role towards attainment of vision 2030 and the "Big Four Agenda as spelt out clearly in the Government priority areas under the social, political and economic pillar.

## **REPORT OF THE BOARD OF GOVERNORS**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of Garsen Technical and Vocational College affairs.

### **Principal activities**

The principal activity is to offer technical and business courses geared towards increasing technical and business skills to Kenyan Youths.

### **Results**

The results of the entity for the year ended June 30, 2022 are set out on pages 1 to 28

### **Board of governors**

The members of the Board who served during the year are shown on page iv, v and vi.

### **Auditors**

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

By Order of the Board



**Mr. Haji Mwachirimira**

**Principal/Secretary BOG**

Date: .....27/09/2022.....

## **STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES**

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

The Board of governors is responsible for the preparation and presentation of the Garsen Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

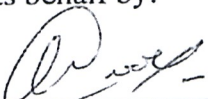
The Board of governors accepts responsibility for the Garsen Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board of governors is of the opinion that the Garsen Technical and Vocational College financial statements give a true and fair view of the state of college transactions during the financial year ended June 30, 2022, and of the college financial position as at June 30, 2022. The Board of Governors further confirms the completeness of the accounting records maintained for the college which have been relied upon in the preparation of the Garsen Technical and Vocational College financial statements as well as the adequacy of the systems of internal financial control.


Nothing has come to the attention of the Board of Governors to indicate that Garsen Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

### **Approval of the financial statements**

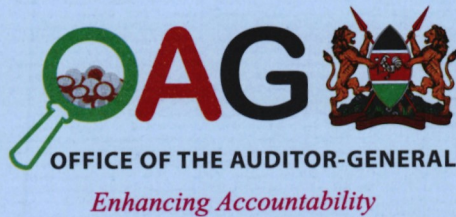
The Garsen Technical and Vocational College financial statements were approved by the Board on .....27/09/2022.....and signed on its behalf by:

  
Board of governor

  
Board of governor

  
Board of governor

# REPUBLIC OF KENYA



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**HEADQUARTERS**  
Anniversary Towers  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON GARSEN TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022**

---

### **PREAMBLE**

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

- A. Report on the 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 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, the risk management environment and the 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 the Garsen Technical and Vocational College set out on pages 1 to 34, which comprise of the statement of financial

position as at 30 June, 2022 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 the Garsen Technical and Vocational College as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Property, Plant and Equipment**

The statement of financial position reflects a nil balance for property, plant and equipment in the statement of financial position. Review of the College records revealed that the Ministry of Education through the State Department of Technical and Vocational Training constructed the tuition block and offices for the Garsen TVET at a cost of Kshs.53,000,000. However, the TVET did not disclose the building and land in the financial statements as part of property, plant and equipment. The site visits to the project on 17 March, 2023 revealed that despite the building being complete, it has not been put to use and at the same time some sections of the ceilings appear to have caved in while some windows have already been vandalized.

In addition, the assets register included asset that were transferred from the State Department of Technical and Vocational Training which were not recognized in the financial statements. Although IPSAS 33 allows entities adopting IPSAS Accrual for the first time a grace period of three (3) years for recognizing and/or measuring assets and liabilities. However, the Management did not provide the steps taken to ensure all assets are valued for recognition in the financial statements.

In the circumstances, the accuracy of the nil balance reflected in the financial statements do not reflect a true and fair view.

### **2. Inaccuracies in the Financial Statements**

#### **2.1 Cash and Cash Equivalents**

The statement of financial position and Note 10 to the financial statements reflects a balance of Kshs.482,861 for cash and bank balances. However, the cashbook indicated a balance of Kshs.484,985 resulting to a variance of Kshs.2,124 which was not reconciled or explained.

In the circumstances, the accuracy of the cash and bank balance in the financial statements could not be confirmed.

## **2.2 Statement of Cash Flows**

The statement of cash flows reflects a cash and cash equivalent balance of Kshs.538,861 which differs with the statement of financial position cash and cash equivalents of Kshs.482,861 and which also differs with cash book balance of Kshs.484,985.

In the circumstances, the accuracy and completeness of the statement of cashflows balance of Kshs.536,861 could not be confirmed.

## **3. Unsupported Receivables from Exchange Transactions**

The statement of financial position and Note 11 to the financial statements reflects the current portion of receivables from exchange transactions balance of Kshs.14,958,870. This balance is composed of students' debtors. It was, however, noted that the individual student ledgers detailing the courses taken, amount billed, amount paid and outstanding balance were not provided for audit review. It was also noted that aging analysis was not done. In addition, it was noted that the institution does not have a debt collection policy and a policy on provision for bad and doubtful debts.

In the circumstances, the accuracy and recoverability of Kshs.14,958,870 in respect to receivables from exchange transactions could not be confirmed.

## **4. Unsupported Travelling and Accommodation Expenditure**

The statement of financial performance and Note 5 to the financial statements reflects a balance for Kshs.2,174,025 for use of goods and services. Included in the balance is an expenditure of Kshs.618,930 for travelling and accommodation, which also includes an expenditure of Kshs.349,630 that was not supported with invitations letters for the training, training programs, attendance sheets, bus ticket or work tickets and back to office reports.

In the circumstances, it was not possible to confirm the accuracy and completeness of the expenditure amounting to Kshs.349,630.

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

## **Key Audit Matters**

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

## **Other Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparison basis of Kshs.11,966,000 and f Kshs.3,364,610 respectively, resulting to a revenue shortfall of Kshs.8,601,390 or 72%. Similarly, the College budgeted to spend Kshs.11,966,000 against actual expenditure of Kshs.3,410,358, resulting in a budget under absorption of Kshs.8,555,641 or 72%.

The revenue under-collection and under-absorption may have affected implementation of the College programmes and may have impacted negatively on service delivery to the learners in the institution.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Procurement**

During the year under review, the College did not prepare a procurement plan that is within the approved budget. It was noted that the College did not prequalify suppliers, contractors and consultants for goods, works and services in the year under review. In addition, the Management did not constitute ad hoc procurement committees in line with Section 44(2)(b) of the Public Procurement and Asset Disposal Act, 2015 which states that, in the performance of the responsibility under Sub-Section (1), an Accounting Officer shall constitute all procurement and asset disposal committees within a procuring entity in accordance with the Act.

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

#### **2. Lack of an Approved Budget**

During the year under review, the Management of the College operated without a budget duly approved by the Cabinet Secretary contrary to the provisions of Section 22(1)(2) of the Second Schedule of the Technical and Vocational Education and Training Act of 2013 which requires that a Board of Governors of a public institution shall prepare annual estimates of revenue and expenditure for the Institution under its charge, in such form and at such times as the Cabinet Secretary may prescribe. Also, the Board may incur expenditure for the purpose of the Institution in accordance with estimates approved by

the Cabinet Secretary, and any approved expenditure under any head of the estimates may not be exceeded without the prior written approval of the Cabinet Secretary.

In the circumstances, Management was in breach 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 are in compliance, 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 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 overall governance were not effective.

### Basis for Conclusion

#### 1. Lack of Internal Audit Unit and Audit Risk Committee

A review of the operations of the College has revealed that the Management has not established an internal audit unit to oversee its governance mechanisms and promote transparency and accountability in the management of its resources during the year under review. Also, the College did not constitute an audit committee contrary to Regulation 174(1) of the Public Financial Management (National Government) Regulations, 2015 which states that subject to Paragraph (2) of this regulation, each National Government entity shall establish an audit committee.

In the circumstances, Management may override internal controls which may lead to loss of public funds.

#### 2. Lack of Key Management Policies

The College does not have key policies like Human Resource policy, Manual Debt policy, Finance Manual, Risk Management policy, ICT policy and Disaster Recovery and Business Continuity Plan in place.

Lack of key policies and manuals may deviate the College from its goals and overall strategic objectives which may affect overall governance of the College.

#### 3. Under-Collection of Revenue

The statement of financial performance reflects that the College reported operating revenue of Kshs.6,500,320 from fees charged to students during the year under review.

However, the college was able to collect a total of Kshs.509,610, resulting to an under-collection of Kshs.5,990,710 or 92% of the projected revenue. The Management did not provide explanations on measures taken to address the undesirable under-collection of projected revenue.

In the circumstances, the under-collection of fees may impact negatively on revenue collection and thus affect the performance of the College.

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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

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

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

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

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


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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**24 May, 2023**

**GARSEN TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**1. Statement of Financial Performance for the year ended 30 June 2022**

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	1	2,000,000	0.00
Transfers from other levels of government	2	2,340,000	0.00
Public contributions and donations	3	100,000	0.00
		<b>4,440,000</b>	<b>0.00</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	4	6,500,320	9,743,760
<b>Revenue from Exchange transactions</b>		<b>6,500,320</b>	<b>9,743,760</b>
<b>Total Revenue</b>		<b>10,940,320</b>	<b>9,743,760</b>
<b>Expenses</b>			
Use of goods and services	5	2,174,025	0.00
Employee costs	6	826,370	0.00
Board /Council Expenses	7	296,000	240,000
Repairs and maintenance	8	87,600	0.00
Finance costs	9	26,363	6,991
<b>Total Expenses</b>		<b>3,410,358</b>	<b>246,991</b>
<b>Other Gains/(Losses)</b>			
<b>Net surplus for the year</b>		<b>7,529,962</b>	<b>9,496,769</b>
Attributable to:			
Surplus attributable to owners of the controlling entity		7,529,962	9,496,769
		<b>7,529,962</b>	<b>9,496,769</b>

(The notes set out on pages 7 to 34 form an integral part of the Annual Financial Statements).

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



Chairman of Council/Board

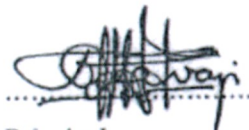
Date 27/09/2022.



Finance Officer

ICPAK No

Date 27/09/2022.



Principal

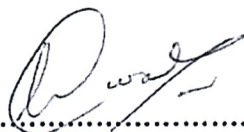
Date

27/09/2022

## 2. Statement of Financial Position as at 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	10	482,861	528,609
Current portion of receivables from exchange transactions	11	14,958,870	8,968,160
Receivables from non-exchange transactions	12	1,585,000	0.00
Inventories	13	0.00	0.00
		<b>17,026,731</b>	<b>9,496,769</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	14	0.00	0.00
Intangible assets	15	0.00	0.00
<b>Total Assets</b>		<b>17,026,731</b>	<b>9,496,769</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	16	0.00	0.00
<b>Non-Current Liabilities</b>		<b>0.00</b>	<b>0.00</b>
<b>Total Liabilities</b>			<b>0.00</b>
<b>Net Assets</b>		<b>17,026,731</b>	<b>9,496,769</b>
Reserves		9,496,769	0.00
Accumulated Surplus		7,529,962	9,496,769
<b>Total Net Assets and Liabilities</b>		<b>17,026,731</b>	<b>9,496,769</b>

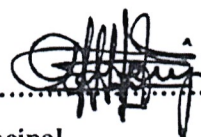
The Financial Statements set out on pages 1 to 6 were signed by:



Chairman of Council/Board



Finance Officer  
ICPAK No



Principal

Date 27/09/2022 Date 27/09/2022 Date 27/09/2022

**GARSEN TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**3. Statement of Changes in Net Asset for the year ended 30 June 2022**

	Revaluation Gains/Losses	Fair Value Adjustment Gains/Losses	Transfer of Depreciation/ Amortisation	Capital/ Development Grants Received During the Year	
<b>At July 1, 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Capital/development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0	9,486,769	-	-
<b>At June 30, 2021</b>	<b>0</b>	<b>0</b>	<b>9,486,769</b>	<b>0</b>	<b>9,486,769</b>
<b>At July 1, 2021</b>	<b>0</b>	<b>9,486,769</b>	<b>0</b>	<b>0</b>	<b>9,486,769</b>
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	7,529,962	-	7,529,962
Capital/development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
<b>At June 30, 2022</b>	<b>0</b>	<b>9,486,769</b>	<b>7,529,962</b>	<b>0</b>	<b>17,016,731</b>

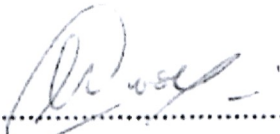
(Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

4. Statement of Cash Flows for the year ended 30 June 2022

		2021-2022	2020-2021
	Notes	KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other government entities/govt. Grants	13(a)(b)	2,755,000	0.00
Public contributions and donations	13(c)	100,000	0.00
Rendering of services- fees from students	13(d)	509,610	775,600
<b>Total Receipts</b>		<b>3,364,610</b>	<b>775,600</b>
<b>Payments</b>			
Use of goods and services	13(e)	2,174,025	0.00
Finance cost	13(i)	26,363	6,991
Employee costs	13(f)	826,370	0.00
Board/council expenses	13(g)	296,000	240,000
Repairs and maintenance	13(h)	87,600	0.00
<b>Total Payments</b>		<b>3,410,358</b>	<b>246,991</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(0.00)	(0.00)
<b>Net cash flows used in investing activities</b>		<b>(0.00)</b>	<b>(0.00)</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows used in financing activities</b>		<b>(0.00)</b>	<b>(0.00)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>(45,748)</b>	<b>528,609</b>
Cash and Cash equivalents at 1 JULY 2021		582,609	0.00
<b>Cash and Cash equivalents at 30 JUNE</b>	10	<b>536,861</b>	<b>528,609</b>

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

  
.....

Chairman of Council/Board

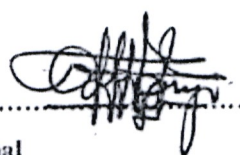
Date 27/09/2022

  
.....

Finance Officer

ICPAK No

Date 27/09/2022

  
.....

Principal

Date

27/09/2022

5. Statement of Comparison of Budget & Actual amounts for the year ended  
30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Transfers from other govt entities and govt grants	2,000,000	-	2,000,000	1,000,000	1,000,000	-50%
Rendering of services- fees from students	5,466,000	-	5,466,000	509,610	4,956,390	-91%
Other income-capitation	4,500,000	-	4,500,000	1,855,000	2,645,000	-59%
<b>Total Income</b>	<b>11,966,000</b>	<b>-</b>	<b>11,966,000</b>	<b>3,364,610</b>	<b>8,601,390</b>	<b>-72%</b>
<b>Expenses</b>						
Employee cost	1,923,500	-	1,923,500	826,370	1,097,130	-57%
Use of goods and services	8,348,750	-	8,348,750	2,200,388	6,148,362	-74%
Repairs and maintenance	246,750	-	246,750	87,600	159,150	-64%
Remuneration of directors	1,447,000	-	1,447,000	296,000	1,151,000	-80%
<b>Total Expenditure</b>	<b>11,966,000</b>	<b>-</b>	<b>11,966,000</b>	<b>3,410,358</b>	<b>8,555,642</b>	<b>-72%</b>
<b>Surplus For the Period</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>(45,748)</b>	<b>45,748</b>	

## Notes to the Financial Statements

### 1. General Information

Garsen Technical and Vocational College is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer technical and business courses geared towards increasing technical and business skills to Kenyan Youths.

### 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 Garsen Technical and Vocational College accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes.

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act 2013 in the year 2017, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**Notes to the Financial Statements (Continued)**

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

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.**

IPSASB deferred the application date of standards from 1st January 2022 owing to covid19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.**

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 41:</b> Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<b>IPSAS 42:</b>	<b>Applicable: 1<sup>st</sup> January 2023</b>

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Standard	Effective date and impact:
Social Benefits	<p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now</p>

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Standard	Effective date and impact:
	superseded by IPSAS 41 which is applicable from 1 <sup>st</sup> January 2023.
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

**iii. Early adoption of standards**

Garsen Technical and Vocational College did not early-adopt any new or amended standards in year 2022.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Sale of goods**

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

**Interest income**

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

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

**4 Summary of Significant Accounting Policies (Continued)**

**a) Revenue recognition (Continued)**

**ii) Revenue from exchange transactions (continued)**

**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 2021/2022 was approved by the Council or Board on 17/12/2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of \_ on the FY 2021/2022 budget following the Council/ Board's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 6 of these financial statements.

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes as per Income Tax Act.

***Sales tax/ Value Added Tax***

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

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

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

**Notes to the Financial Statements (Continued)**

**d) Investment property**

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

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

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

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

**e) Property, plant and equipment**

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

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

**g) Intangible assets**

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

**h) Research and development costs**

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

**Notes to the Financial Statements (Continued)**

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**4 Summary of Significant Accounting Policies (Continued)**

**i) Financial instruments**

*Financial assets*

*Initial recognition and measurement*

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

*Loans and receivables*

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

*Held-to-maturity*

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

*Impairment of financial assets*

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

*Financial assets (Continued)*

*Impairment of financial assets (Continued)*

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

*Financial liabilities*

*Initial recognition and measurement*

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

*Loans and borrowing*

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

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

j) Inventories

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

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

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

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**Inventories (Continued)**

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 Entity.

**k) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

***Contingent liabilities***

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

***Contingent assets***

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

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**l) Nature and purpose of reserves**

The Garsen Technical and Vocational College Entity creates and maintains reserves in terms of specific requirements.

**m) Changes in accounting policies and estimates**

The Garsen Technical and Vocational College recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**n) Employee benefits**

**Retirement benefit plans**

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**o) 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.

**p) 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

**4 Summary of Significant Accounting Policies (Continued)**

when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**q) Related parties**

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

**r) Service concession arrangements**

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

**s) 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.

**t) Comparative figures**

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

**u) 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, 2022.

**Notes to the Financial Statements (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Garsen Technical and Vocational College 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 Garsen Technical and Vocational College based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual values**

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

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

**Provisions**

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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**Notes to the Financial Statements (Continued)**

**1. Transfers from other National Government entities**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	0.00	0.00
Operational Grant	2,000,000	0.00
Other Grants	0.00	0.00
	<b>2,000,000</b>	<b>0.00</b>
<b>Conditional Grants</b>		
Library Grant	0.00	0.00
Hostels Grant	0.00	0.00
Administration Block Grant	0.00	0.00
Laboratory Grant	0.00	0.00
Learning Facilities Grant	0.00	0.00
Other Organizational Grants	0.00	0.00
<b>Total Government Grants and Subsidies</b>	<b>2,000,000</b>	<b>0.00</b>

**(a) Transfers from other Government entities (Categorized)**

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2021-2022
			Kshs	Kshs	Kshs
State Department	0.00	0.00	0.00	0.00	0.00
Education Ministry	2,000,000	1,000,000	0.00	1,000,000	1,000,000
<b>Total</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>0.00</b>	<b>1,000,000</b>	<b>1,000,000</b>

**Notes to the Financial Statements (Continued)**

**2. Transfers from Other Levels of Government**

Description	2021-2022	2020-2021
	Kshs	Kshs
		0.00
Transfer from Voi institute of technology Institute	2,340,000	0.00
<b>Total Transfers</b>	<b>2,340,000</b>	<b>0.00</b>

**3. Public Contributions and Donations**

Description	2021-2022	2020-2021
	Kshs	Kshs
Public Donations	100,000	0.00
Other Donations	0.00	0.00
<b>Total Donations and Contributions</b>	<b>100,000</b>	<b>0.00</b>

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**Notes to the Financial Statements (Continued)**

**4. Rendering of Services**

	2021-2022	2020-2021
	KShs	KShs
Tuition Fees	257,250	361,550
Activity Fees	6,950	33,250
Examination Fees	65,230	180,750
Student id Fees	1,800	21,300
Registration Fees	1,250	17,400
Others ( <i>S/council</i> )	2,100	9,450
Insurance	9,700	29,000
Personal emolument	47,300	37,500
Local transport	15,440	31,700
Caution money	2,000	18,100
Accommodation fees	75,000	2,000
Repair and maintenance	7,400	17,200
Electricity and water	18,190	16,400
Fees Arrears	5,990,672	8,968,160
<b>Total Revenue from rendering of services</b>	<b>6,500,282</b>	<b>9,743,760</b>

**GARSEN TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**Notes to the Financial Statements (Continued)**

**5. Use of Goods And Services**

	2021-2022	2020-2021
	Ks.00	Ks.00
Water	9,100	0.00
Katti /tveta/ capa	182,800	0.00
student id	7,200	0.00
Advertising	60,400	0.00
Examination fees	328,840	0.00
Audit fees	0.00	0.00
Catering, conferences, and delegations	0.00	0.00
Travelling and accommodation	635,930	0.00
Fuel and oil	0.00	0.00
Insurance	500	0.00
Postage	0.00	0.00
Printing and stationery	82,170	0.00
Administration costs	840,060	0.00
Activity	1,700	0.00
Skills development levies(katti)	0.00	0.00
Telephone expenses	0.00	0.00
Internet expenses	25,325	0.00
<b>Total good and services</b>	<b>2,174,025</b>	<b>0.00</b>

**GARSEN TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**Notes to the Financial Statements (Continued)**

**6. Employee Costs**

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	826,370	0.00
<b>Employee Costs</b>	<b>826,370</b>	<b>0.00</b>

**7. Board/Council Expenses**

Description	2021-2022	2020-2021
	Kshs	Kshs
Chairman's Honoraria	0.00	0.00
Directors Emoluments	0.00	0.00
Other Allowances	296,000	240,000
Other Board/Council Expenses	0.00	0.00
<b>Total</b>	<b>296,000</b>	<b>240,000</b>

**8. Repairs and Maintenance**

Description	2021-2022	2020-2021
	Kshs	Kshs
Property	0.00	0.00
Investment property-earning rentals	0.00	0.00
Equipment and machinery	0.00	0.00
Vehicles	0.00	0.00
Furniture and fittings	87,600	0.00
Computers and accessories	0.00	0.00
<b>Total Repairs and Maintenance</b>	<b>87,600</b>	<b>0.00</b>

**Notes to the Financial Statements (Continued)**

**9. Finance Costs**

Description	2021-2021	2020-2021
	Kshs	Kshs
Bank Charges	26,363	6,991
<b>Total Finance Costs</b>	<b>26,363</b>	<b>6,991</b>

**10. Cash and Cash Equivalents**

Description	2021-2021	2020-2021
	Kshs	Kshs
Current Account	482,861	528,609
<b>Total Cash and Cash Equivalents</b>	<b>482,861</b>	<b>528,609</b>

**10 (a). Detailed Analysis of Cash and Cash equivalents**

		2021-2021	2020-2021
Financial Institution	Account Number	Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank	1275580645	482,861	528,609
Equity Bank, etc.		0.00	0.00
<b>Grand Total</b>		<b>482,861</b>	<b>528,609</b>

**GARSEN TECHNICAL AND VOCATIONAL COLLEGE**  
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**Notes to The Financial Statements (Continued)**

**11. Receivables from Exchange transactions**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	14,958,870	8,968,160
<b>Total Current Receivables</b>	<b>14,958,870</b>	<b>8,968,160</b>

**12. Receivables from Non-Exchange transactions**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	585,000	0.00
Transfers from Other Govt. entities	1,000,000	0.00
<b>Total Current Receivables</b>	<b>1,585,000</b>	<b>0.00</b>

**13. Notes to The Statement of Cash Flows**

**13 (a) Transfers from other Government entities (Categorized)**

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2021-2022
			Kshs	Kshs	Kshs
State Department	0.00	0.00	0.00	0.00	0.00
Education Ministry	1,000,000	0.00	0.00	1,000,000	1,000,000
<b>Total</b>	<b>1,000,000</b>	<b>0.00</b>	<b>0.00</b>	<b>1,000,000</b>	<b>1,000,000</b>

**GARSEN TECHNICAL AND VOCATIONAL COLLEGE**  
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**13 (b) Transfers from Other Levels of Government**

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfer from Voi institute of technology Institute	1,755,000	0.00
<b>Total Transfers</b>	<b>1,755,000</b>	<b>0.00</b>

**13 (c) Public Contributions and Donations**

Description	2021-2022	2020-2021
	Kshs	Kshs
Public Donations	100,000	0.00
Donations from Local Leadership	0.00	0.00
Donations from Religious Institutions	0.00	0.00
Donations from Alumni	0.00	0.00
Other Donations	0.00	0.00
<b>Total Donations and Contributions</b>	<b>100,000</b>	<b>0.00</b>

**GARSEN TECHNICAL AND VOCATIONAL COLLEGE**  
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**Notes to the Financial Statements (Continued)**

**13 (d) Rendering of Services**

Description	2021-2022	2020-2021
	KShs	KShs
Tuition Fees	257,250	361,550
Activity Fees	6,950	33,250
Examination Fees	65,230	180,750
Student id Fees	1,800	21,300
Registration Fees	1,250	17,400
Others ( <i>S/council</i> )	2,100	9,450
Insurance	9,700	29,000
Personal emolument	47,300	37,500
Local transport	15,440	31,700
Caution money	2,000	18,100
Accommodation fees	75,000	2,000
Repair and maintenance	7,400	17,200
Electricity and water	18,190	16,400
<b>Total Revenue from the Rendering of Services</b>	<b>509,610</b>	<b>775,600</b>

**GARSEN TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**Notes to the Financial Statements (Continued)**

**13 (e) Use of Goods and Services**

Description	2021-2022	2020-2021
	KSh	KSh
Water	9,100	0.00
Katti /tveta/ capa	182,800	0.00
student id	7,200	0.00
Advertising	60,400	0.00
Examination fees	328,840	0.00
Audit fees	0.00	0.00
Catering, conferences, and delegations	0.00	0.00
Travelling and accommodation	635,930	0.00
Fuel and oil	0.00	0.00
Insurance	500	0.00
Postage	0.00	0.00
Printing and stationery	82,170	0.00
Administration costs	840,060	0.00
Activity	1,700	0.00
Skills development levies(katti)	0.00	0.00
Telephone expenses	0.00	0.00
Internet expenses	25,325	0.00
<b>Total good and services</b>	<b>2,174,025</b>	<b>0.00</b>

**13 (f) Employee Costs**

Description	2021-2022	2020-2021
	KSh	KSh
Salaries and wages	826,370	0.00
<b>Employee Costs</b>	<b>826,370</b>	<b>0.00</b>

**GARSEN TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**Notes to the Financial Statements (Continued)**

**13 (g) Board/Council Expenses**

Description	2021-2022	2020-2021
	Kshs	Kshs
Chairman's Honoraria	0.00	0.00
Directors Emoluments	0.00	0.00
Other Allowances	296,000	240,000
Other Board/Council Expenses	0.00	0.00
<b>Total</b>	<b>296,000</b>	<b>240,000</b>

**13 (h) Repairs and Maintenance**

Description	2021-2022	2020-2021
	Kshs	Kshs
Property	0.00	0.00
Investment property—earning rentals	0.00	0.00
Equipment and machinery	0.00	0.00
Vehicles	0.00	0.00
Furniture and fittings	87,600	0.00
Computers and accessories	0.00	0.00
<b>Total Repairs and Maintenance</b>	<b>87,600</b>	<b>0.00</b>

**13 (i) Finance Costs**

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Charges	26,363	6,991
<b>Total Finance Costs</b>	<b>26,363</b>	<b>6,991</b>

**Notes to the Financial Statements (Continued)**

**14. Events After the Reporting Period**

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

**15. Ultimate and Holding Entity**

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

**16. Currency**

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

**GARSEN TECHNICAL AND VOCATIONAL COLLEGE  
Annual Report and Financial Statements for the year ended 30th June 2022**

**Appendices**

**Appendix 1: Implementation Status of Auditor-General Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1 <sup>st</sup> time audit	None	None	None	None

**Guidance Notes:**

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



.....  
Haji Mwachiririma  
Principal

Date: .....  
27/09/2022