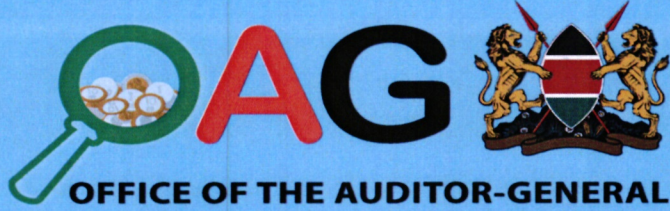


REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY	
REPORT	
DATE: 25 JUL 2023	TUESDAY
TABLED BY: Hon. Naomi Wago, MP Deputy majority whip	
CLERK OF THE TABLE: Anne Shuburo	

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**NAROK SOUTH TECHNICAL AND
VOCATIONAL COLLEGE**

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





NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

**NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE
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I. KEY COLLEGE INFORMATION AND MANAGEMENT

(a) Background Information

Narok South Technical and Vocational College (Narok South TVC) is a Technical Vocational Education & Training (TVET) college under the Ministry of Education, State Department for Vocational and Technical Training. To facilitate the execution and completion of Narok South Technical and Vocational College, the Government of Kenya (GOK) contributed Kshs 45,932,992.00 while Narok South Constituency Development Fund (CDF) contributed Kshs. 10,000,000.00. The CDF also constructed the main gate, the front permanent wall and two pit latrine blocks at a total cost of Kshs 2 million.

Nairobi Technical Training Institute was given mandate by GOK to manage construction of the College.

Narok South TVC at the moment is still under the mentorship of Nairobi Technical Training Institute, which oversees its key operations for a period of time until when the College is ready to stand on its own.

Narok South TVC sits on a 2.19 hectares (5.41 acres) parcel of land which is located near Oleshapani Shopping Center, along Ololung'a – Olmekenyu road, Oleshapani Sub-location, Oldonyo Ngiro Location, Ololung'a Division, Narok South Sub-county in Narok County.

The College is proposed to be Center of excellence in **Agricultural Engineering, Value Addition in Agriculture, Welding-Fabrication and Information Technology Communication (ICT)**. The College is currently awaiting to be fully equipped with state-of-the-art Equipment to be sourced by the Government of the Republic of Kenya (GOK).

(b) Principal Activities

Training competent human resource for Social Economic Development in Business, Science, Technology, Engineering and Mathematics.

(c) Key Management

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

- Principal
- Ag. Registrar/Head of ICT and Business Department
- Ag. Dean of Students/Head of Technical and Engineering Department

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KEY COLLEGE INFORMATION AND MANAGEMENT (Continued)

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Philip Kiplang'at Terer
2.	Deputy Principal-Administration affairs	-
3.	Deputy Principal-Academic affairs	-
4.	Ag. Registrar/HoD ICT and Business	David Kabebe Mirau
5.	Ag. Dean of Students/HoD Technical and Engin.	Caroline Cheron

(e) Fiduciary Oversight Arrangements

Board of Governors

The functions of the Board of Governors shall include:

- (a) overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law;
- (b) promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- (c) administering and managing the property of the institutions;
- (d) developing and implementing the institutions' strategic plan;
- (e) preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;

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KEY COLLEGE INFORMATION AND MANAGEMENT (Continued)

- (h)** mobilizing resources for the institutions;
- (a)** developing and reviewing programmes for training and to make representations thereon to the Board;
- (b)** regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (c)** approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
- (d)** recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- (e)** determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- (f)** making regulations governing organization, conduct and discipline of the staff and students;
- (g)** preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board;
- (h)** providing for the welfare of the students and staff of the institutions;
- (i)** encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- (j)** discharging all other functions conferred upon it by this Act or any other written law.

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KEY COLLEGE INFORMATION AND MANAGEMENT (Continued)

Committees of the Board of Governors

1. Finance, Governance and Development

Committee Activities

The Committee shall exercise all the powers of Board of Governors (BoG) in financial matters except in relation to the items which are reserved to BoG in these Standing Orders, on which the Committee shall advise BoG.

Terms of Reference.

The role of the Committee shall be to monitor the financial status of the College on behalf of BoG. In addition to advising BoG on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the College's strategy with regard to financial matters.
- b) To receive reports from the Chief Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the College.
- d) To receive reports of the extent and condition of the College estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the College estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for College services and facilities.
- g) To supervise the financial administration of the College and make recommendations to BoG where appropriate.
- h) To supervise the arrangements for safeguarding the College's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the College's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the College's intellectual property.
- l) To make recommendations to BoG on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the College.
- n) Advise the Board of Governors on the academic aspects of Narok South TVC's strategic, operational and risk management plans and foster disclosure on issues related to higher education and Narok South TVC's Vision and Goals.
- o) Oversee the regular program of internal unit, course and school reviews within Narok South TVC.
- p) Ensure that Narok South TVC engages in regular benchmarking exercises with other higher education providers, and monitor the outcomes of such benchmarking exercises against targets in Narok South TVC's plans.
- q) Refer certain matters to such standing committees or working groups as it may from time to time establish to advise on such matters.

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- r) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
- s) Consider and recommend on any matter referred to the it by the Board of Governors.

2. Education, Training and Research

Committee Activities

- a) Provide academic leadership to Narok South TVC, through promotion of excellence in teaching and learning, and ensuring that Narok South TVC embraces a philosophy of quality enhancement and innovation.
- b) Facilitate academic freedom and freedom of speech and ensure academic integrity within Narok South TVC.
- c) Ensure a culture of scholarship is developed, nurtured and embedded within KTVC.
- d) Formulate, coordinate and review academic policy, procedures and guidelines within Narok South TVC.
- e) Monitor and regularly report on compliance with academic policy within Narok South TVC.
- f) Oversee the quality assurance of the academic activities of Narok South TVC, within the Narok South TVC Risk Management Framework.
- g) Partner with the Audit and Risk Management Committee to identify, assess and monitor academic risks within the Narok South TVC Risk Management Framework.
- h) Consider and make decisions on all aspects of the development and accreditation or re-accreditation of higher education courses, the admission of students, teaching, assessment and requirements for graduation, prizes, awards and scholarships.
- i) Ensure that Narok South TVC engages in regular benchmarking exercises with other higher education providers, and monitor the outcomes of such benchmarking exercises against targets in Narok South TVC's plans.
- j) Refer certain matters to such standing committees or working groups as it may from time to time establish to advise on such matters.
- k) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
- l) Consider and recommend on any matter referred to the it by the Board of Governors.
- m) In addition to such matters as are specifically referred to the Academic Board, the Academic Board may generate reports and recommendations to the Board of Directors, including recommending new courses for development.
- n) Undertake regular self-reviews of performance, and oversee reviews of performance of the Teaching and Learning committees, and any other sub committees of Academic Board.

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KEY COLLEGE INFORMATION AND MANAGEMENT (Continued)

3. Audit, Risk and Compliance

Committee Activities

Some detailed audit committee responsibilities include:

- a) Ensuring that financial statements are understandable, transparent, and reliable.
- b) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic.
- c) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top.
- d) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.
- e) Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the institution is a party.
- f) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.
- g) Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.
- h) Reviewing internal audit plans, reports, and significant findings.
- i) Establishing a direct reporting relationship with the external auditors.

4. Senior Management Activities

The main purpose of the Senior Management Team is to:

- (a) Ensure that Narok South TVC's BoG is able to take strategic decisions relating to Narok South TVC's activities.
- (b) Provide leadership in communicating Narok South TVC's mission, values, plans and achievements effectively and consistently to BoG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- (c) Be accountable for the development and implementation of Narok South TVC's strategic, corporate and business plans in line with the mission and values.
- (d) Take a strategic overview of performance in all areas of Narok South TVC's activities.

Specifically, the Senior Management Team:

- i. Makes recommendations to the BoG on the implementation and achievement of the BoG's Strategic Framework;
- ii. Agrees Narok South TVC's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- iii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;

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KEY COLLEGE INFORMATION AND MANAGEMENT (Continued)

- iv. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of Narok South TVC, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- v. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- vi. Oversees and monitors Narok South TVC's joint work with the other stakeholders
- vii. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BoG and/or its relevant Committees.
- viii. Leads all senior managers in motivating and developing Narok South TVC staff to deliver the highest standards of performance and customer service.

(f) Government Oversight Activities

The Government of Kenya's Oversight role includes provision of grants for both capitation and Development as well as provision of the regulatory framework. The audit of the Institutional activities is undertaken by the Office of the Auditor General.





Other Development Partner Oversight Activities

The other development partners Including





<p>(a) Headquarters Near Oleshapani Shopping Center, along Ololulung'a – Olmekenyu Rd, Oleshapani Sub-location, Oldonyo Ngiro Location, Ololung'a Division, Narok South Sub-county in Narok County</p>	<p>(b) Contacts P. O. Box 4-20503, Ololung'a. Tel. 0722 618 017 Email: naroksouthtvc20@gmail.com Website:</p>
<p>(c) Narok South TVC Bankers KCB Bank Limited Ngara Branch, Nairobi</p>	
<p>(d) Independent Auditors Auditor General Office of the Auditor General Anniversary Towers, University Way P.O. Box 30084 GOP 00100 Nairobi, Kenya</p>	<p>(e) Principal Legal Adviser The Attorney General State Law Office Harambee Avenue P.O. Box 40112 City Square 00200 Nairobi, Kenya</p>

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II. BOARD OF GOVERNORS

Governor	Title	Photograph	Date of birth, key qualifications and work experience	
			Date of Birth	Key qualifications and work experience
1. Wilberforce Wicks Maiyo	Chairman		Date of Birth	1965
			Qualification	MA Public Administration and Public Policy
			Experience	31 Yrs
			Committee Membership	Executive
2. Juliana Kivasu	Member		Date of Birth	
			Qualification	MBA, Strategic Management
			Experience	30 Yrs
			Committee Membership	-Finance, Governance and Development. -Education, Training & Research
3. Desmond Tome Kironkai	Member		Date of Birth	1996
			Qualification	BSc. Statistics
			Experience	5 Yrs
			Committee Membership	Audit Risk and Compliance
4. Mike Kipsang' Kuttoh	Member		Date of Birth	1970
			Qualification	Master of Commerce (Administration Option)
			Experience	13 Yrs
			Committee Membership	Chairman Education, Training & Research Member Finance, Governance and Development.

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5.	Eddy Oloo	Member		Date of Birth	1960
				Qualification	BSc. Mechanical Eng.
				Experience	7 Yrs
				Committee Membership	Chairman Finance, Governance and Development. Member Education, Training & Research
6.	Jane Wanjara Macharia	Member		Date of Birth	
				Qualification	MSc. Geographic Information System
				Experience	30 Yrs
				Committee Membership	Audit Risk and Compliance
7.	Bernadette Bitu			Date of Birth	1994
				Qualification	B. Commerce (Accounting Option)
				Experience	5 Yrs
				Committee Membership	Audit Risk and Compliance
8.	Philip Kiplang'at Terer	Secretary		Date of Birth	1972
				Qualification	BSc. Electrical and Electronic Engineering, PGDE
				Experience	18 Yrs
				Committee Membership	Secretary – Full Board, Executive

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Board Committees

Name of the Committee	Members
Finance, Governance and Development	1. Eddy Oloo 2. Juliana Kivasu 3. Mike Kuttoh
Education, Training and Research	1. Mike Kuttoh 2. Eddy Oloo 3. Juliana Kivasu
Audit, Risk and Compliance	1. Bernadette Bitu 2. Desmond Tome Kironkai 3. Jane W. Macharia




Functions of the Board of Governors

According to the TVET act 2013, the BoG shall have the following functions.

- i. Provide oversight and strategic leadership
- ii. Approve statutes
- iii. Approve policies for the Colleges
- iv. Approve budgets
- v. Make new or additional regulations, amend or revoke existing regulations
- vi. Make appointments authorised by the law
- vii. Acquire land, buildings, premises, equipment, vehicles, machinery and facilities acquired for carrying out the work/duties of the College.
- viii. Determine the method of recruitment, appointment and promotion of all staff of the Colleges as per the law.
- ix. Provide welfare for every person as per the law
- x. Provide control and regulate finances
- xi. Enter into contracts, vary carry, out or terminate contracts on behalf of the Colleges
- xii. Empower committee of the BoG appointed
- xiii. Transact from time to time any other business of the College which is covered by the law.

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III. MANAGEMENT TEAM

Manager	Title	Photograph	Qualification & Responsibility	
Philip Kiplang'at Terer	Principal		Date of Birth	1972
			Qualification	BSc. Electrical and Electronic Engineering, PGDE
			Experience	18 Yrs
			Qualification	
			Experience	
David Kabebe Mirau	Ag. Registrar		Date of Birth	1989
			Qualification	BSc. ICT
			Experience	1Yr
Caroline Cherono	Ag. Dean of Students		Date of Birth	1984
			Qualification	BSc. Electrical and Electronic
			Experience	1 Yr

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IV. CHAIRMAN'S STATEMENT

It is my pleasure to present the College's annual report and financial statement for the year ended 30th June 2022.

The College's Board of Governors note with appreciation the continued support of the government and other stakeholders in the daily running of the College.

We thank the government for undertaking the reforms in the TVET sector which are aimed at matching training skills with the industry needs and as well as expanding the sector so that the communities in Kenya can benefit more through the realization of the following key objectives in TVET: **quality, access, equity and relevance**. The BoG will work with industry and other partners to utilize synergy and create strategies in order to ensure that the skills offered by the College do meet the industry needs and as well enable personal development of the graduates to be self-reliant in job creation.

The College finances and bank account is still managed under the mentor, Nairobi Technical Training Institute, since the College capacity is still low for transfer of these responsibilities. The Board was inaugurated on 3rd February 2022 and the College admitted first group of students, **16 students** on 2nd June 2022 to undertake short course training on computer skills.

The board looks forward that GoK will be able to source and supply center of excellence training equipment during this financial year 2022/2023. This will enable the College to mount more mainstream TVET courses and increase the enrolment.

Meanwhile, the board is grateful for the support that the College continues to get from the GoK through operational grants despite the financial challenges that the country faced especially due to the COVID-19 pandemic.

Finally, I sincerely thank our Government of the Republic of Kenya and all the stakeholders for their trust, support and continued partnership and cooperation during the just concluded Financial Year 2021/2022.



Wilberforce Wicks Maiyo
CHAIRMAN BOARD OF GOVERNORS

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V. REPORT OF THE PRINCIPAL

I take this opportunity to present Narok South TVC financial statement for the FY 2021/2022 ending 30th June 2022 in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

With the support of the BoG we have put in place the necessary financial, procurement and internal control measures to ensure proper utilization of funds entrusted to us.

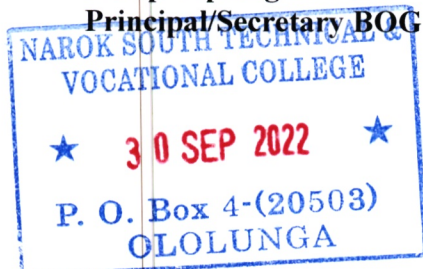
The College still operates under the mentorship of Nairobi Technical Training Institute, especially in the handling of finances and the bank account. On 2nd June 2022, the College admitted the **first 16 students** to pursue short course on computer skills training. Through the utilization of GoK grants, we have managed to acquire some tuition furniture and ICT equipment, for a class of up to 25 trainees at a time. We look forward for more GoK support in the of supply of training equipment in order to handle mainstream TVET courses.

The regulator (TVETA) carried out assessment of the College on 27th May 2022 and we expect their report in Quarter one, FY 2022/2023, which include granting of operational licence and approval of the initial ten (10) TVET courses. The College plans to acquire other regulatory registrations from public institutions, which include Kenya Universities and Colleges Central Placement Service (KUCCPS), National examinations bodies and Higher Education Loans Board (HELB), once the licence is granted.

I am humbled by the support from College's BoG, Management and all members of staff for their commitment and dedication to their work and effort that have seen Narok South TVC move forward in attaining its vision and mission.



**Philip Kiplang'at Terer
Principal/Secretary BQC**



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VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2021/2022

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

The Narok South TVC is a new institution which began operations on 1st February 2021. It has so far registered a student population of 16 as at the end of the Financial Year Under review.

VII. CORPORATE GOVERNANCE STATEMENT

1. Corporate Governance Statement

- a) Good corporate governance is the key to integrity and corporations and central to the College stability
- b) Corporate governance therefore encompasses the system practices and procedures by which the individual corporation regulates itself to remain stable, competitive, sustainably and fair.
- c) The BoG follows principles of transparency and accountability in its stewarding college affairs'
- d) The role of the BoG is to ensure conformity by focusing and providing the college strategic direction and policy making as well as performance review through accountability, monitoring, supervision and internal control to safeguard the assets and ensure the reliability of financial information
- e) Management team comprising of the principal, deputy principal, head of departments and staff meet regularly to consider issues of operational and strategic importance.
- f) Below are key features of the existing governance practices within the college which are revised and improved from time to time

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2. The College BoG

- a) The BoG constitutes of chairman BoG and eight members who have been appointed in accordance to the TVET Act 2013, which meets formally at least four times a year or more when need arises.
- b) BoG is responsible for setting the direction of the College through establishment of strategic information, policies and approval of budgets. It monitors implementation of the above through structured approach of reporting by the management and accountability.
- c) The BoG is actively involved and bring strong independent judgement on its deliberations and discussions
- d) The BoG members have diverse skill set, wide range of knowledge and experience of the college in objectives and decision making.
- e) The BoG meets regularly and retains full and effective control over the College in all strategic financial operation and compliance areas

3. Related Party Disclosure

Related parties for the purposes of this report include:

- a) The Government of Republic of Kenya
- b) The Board of Governors
- c) The Management

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VIII. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A: Operational and Financial Performance

Narok South Technical and Vocational College operational and financial performance

*The college is a public Institution which relies on Government funds, and fees paid by students. It is not a profit making College.
The college has not yet full attained autonomy in the management of its resources. It currently operates under the mentorship of the Nairobi Technical Training Institute.*

SECTION B: Compliance with Statutory Requirements

Narok South Technical and Vocational College compliance with statutory requirements

Narok South Technical and Vocational College complies to deduction and remittance of statutory deductions such NHIF, NSSF.

SECTION C: Key Projects and Investment Decisions

Key projects and investment decisions Narok South Technical and Vocational College is planning/implementing

- Being a new institution, Narok South TVC has not initiated any development project.

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SECTION D: Financial and Management Risks

Major risks facing the College

- Inadequate funding by the Ministry of Education- on capitation/operation and development grants;
- Delay in supply of training equipment and furniture by GoK;
- Untimely marketing due to late funding;
- Due to limited capacity, it is not possible to increase the number of students as expected;
- The socio-economic effects associated with the COVID-19 Pandemic;
- Delay in granting of operational licence by the regulator (TVETA);
- Delay in connection of adequate power;

Due to the above factors the institution is facing challenges in meeting its full operations obligations.

SECTION E: Material arrears in Statutory and Financial Obligations

Material arrears in statutory/financial obligations

- 1. There are no material arrears in statutory/ financial obligations**

SECTION F: Governance

The College's financial probity and serious governance issues

There were no serious governance issues reported during the year under review.

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IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Narok South TVC, being a new institution with limited funding, has not embarked on major activities of corporate social responsibility. Meanwhile, the college has been participating on public activities organized by other public institutions such as Ministry of Interior, NCIC and CBOs, which do not require financial commitment.

1. Sustainability strategy and profile -

a. Organisational Sustainability

This strategy focuses on achieving financial, environmental organisational and institutional sustainability within the College.

b. Financial sustainability

The college has plans to diversify the sources of revenue which include; school fees, and production unit programmes.

c. Environmental sustainability

The college embraces the use of environmentally friendly methods in waste management and disposal. The strategies are targeted at protecting and improving the environment.

d. Organisational and institutional sustainability

The College aims at achieving and maintaining organisational and institutional sustainability. This is addressed from various viewpoints that include community engagement, having in place a risk management framework and implementation of strategies to mitigate the identified and defined risks.

2. Environmental performance

- a. Greening TVET
 - ✓ greening the institution
 - ✓ greening the curriculum
 - ✓ greening research
 - ✓ greening the culture
 - ✓ greening the community
- b. Solid Waste management
 - ✓ disposal of wastes
 - ✓ policies on re-cycling
- c. Emission control
 - ✓ control on gases emitted to the environment

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- d. Adoption of environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the college.

3. Employee welfare

The college, with the support of the Board, is in the process of developing the following policies to guide its operations: -

- Scheme of service for BoG Staff;
- Career progression guidelines for BoG Staff;
- Motivation Policy for both Staff and Students;
- Income Generating Activities Policy;
- ICT policy;
- Gender Mainstreaming and Youth Empowerment Policy;
- Disability Mainstreaming Policy;
- Policy Against Gender-Based Violence;
- Strategic Plan;
- Human Resource Policy Manuals

4. Market place practices-

(A) Responsible Competitive Practice

- (i) Anti -corruption
- a. Student fees: The college charges the student's fees as per the guidelines from the Ministry of Education. The Tuition fees together with other levies charged is Ksh. 56,420 as capped by the Ministry of Education;
 - b. No-Cash payment policy – all payments to college bank account;
 - c. The admission process is transparent.
- (ii) Political involvement
- a. The college liaises with the area leadership for development of the college infrastructure.
- (iii) Fair competition
- a. The college acquires the curriculum and syllabus from Kenya Institute of curriculum development (KICD), National Industrial Training Authority (NITA) and CDACC to ensure uniformity of courses offered at Narok South TVC is similar to those offered in other public institutions.
 - b. Entry criteria for the program and the entry requirements for the students are clearly defined. i.e. Mean grade C- (minus) for Diploma Certificate students, D+ for Craft Certificate students and KCSE D-

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(minus)for Artisan Certificate courses. This allows the college to have a fair competition with the universities who require students to have a mean grade of C+ to access university education.

- (iv) Respect for competitors
 - a. Mutual beneficial relationships: - The college undertakes benchmarking with other institutions so as to offer quality service to the trainees and to assist one another to better improve service delivery.
 - b. The College plans to have students placed by KUCCPS and the ensures compliance with KUCCPS policy on transfers, (that when student seek for transfers from other institutions, there is correspondence from the institution that the student wishes to leave so as to ensure that there is mutual understanding).

(C) Responsible Marketing and Advertisement

- (i) Efforts to maintain ethical marketing practices
 - a. The College openly advertises in the print and electronic media for all the courses offered in the institution so as to ensure transparency and integrity in the admission process;
 - c. The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the college;
 - d. The College ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake;
 - e. Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/ guardians and students to prepare for the admission.

(D) Product Stewardship

- (I) Efforts to safeguard consumer rights and interests
 - a. The college is in the process of developing complaints handling procedures;
 - b. There is proactive disclosure of information by ensuring that information is given through the colleges website, brochures, print and electronic advertisement;

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- c. Requests by customers for information on admission and courses is done through e – mail, telephone call and letters. The college has ensured accessible and an active e-mail address naroksouthvc20@gmail.com and the telephone line 0722 618 017.

5. Community Engagements-

The College has continuously engaged the community in matters of corporate social responsibility (CSR).

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X. REPORT OF THE BOARD OF GOVERNORS

The Board submits their report together with the audited financial statements for the year ended 30 June, 2022, which show the state of the College's affairs.

Principal Activities

The principal activities of the institution are to train competent Human Resource for social economic development at TVET level.

Results

The results of Narok South Technical and Vocational College for the year ended 30 June, 2021 are set out on page 1 .

BOARD OF GOVERNORS

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

Auditors

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

By Order of the Board



.....
Philip Kiplang'at Terer
Principal/Secretary BOG



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XI. STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the Board members to prepare financial statements in respect of Narok South 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 college for that year/period. The Board members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The Board members are also responsible for safeguarding the assets of the college.

The Board members are responsible for the preparation and presentation of the college 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 college;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the college;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector

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Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act). The Board members are of the opinion that the college's 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 that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The College's financial statements were approved by the Board on **9/9/2022** and signed on its behalf by:

W. W. Maiyo

.....
Wilberforce Wicks Maiyo
Chairman of the Board

Philip Kiplang'at Terer



.....
Philip Kiplang'at Terer
Accounting Officer/Principal

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NAROK SOUTH 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 overall 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 Narok South Technical and Vocational College set out on pages 1 to 21, which comprise 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 effects of the matter 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 Narok South 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 International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Opinion

Unsupported Property, Plant and Equipment

The statement of financial position and as disclosed in Note 14 to the financial statements reflects property, plant and equipment balance of Kshs.57,122,540 which includes buildings balance of Kshs.56,774,332. However, procurements record such as bill of quantities, tender advertisement, tender evaluation minutes, letter of award, letter of acceptance, inspection and acceptance reports, joint measurement interim/ completion certificates and payment vouchers in support of the construction of buildings were not provided for audit verification. Further, review of records indicated that the College owns 5.41 acres of land. However, the value of the land has not been disclosed.

In addition, the title deed and valuation report of the land were not provided for audit verification.

In the circumstances, the accuracy, completeness and ownership of the property plant and equipment balance of Kshs.57,122,540 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Narok South 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.

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.2,000,000 and Kshs.2,010,500, respectively resulting to an over-funding of Kshs.10,500 or 1% of the budget. Similarly, the College expended Kshs.3,484,056 against an approved budget of Kshs.2,000,000 resulting to an over-expenditure of Kshs.1,484,056 or 74% of the budget.

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.

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 matter 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

Irregular Remuneration of Board Members

The statement of financial performance reflects remuneration of board members totaling to Kshs.278,452. Review of records revealed that the Chairman and the Board Members were paid sitting allowance at a rate of Kshs.7,000 per sitting. However, the rate had not been approved by the Cabinet Secretary. This is contrary to Section 17 of the Second Schedule of the Technical and Vocational Education and Training Act, 2013 which requires that members of a Board of Governors shall be paid in respect of their services such remuneration or allowances as the Board of Governors shall, with the approval of the Cabinet Secretary for the time being responsible for matters related to technical and vocation education and training, determine.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and The Board of Governors

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and 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 controls 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 College's 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:

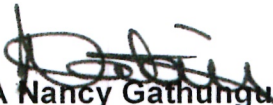
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 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

22 June, 2023

NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE
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XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2022

		2021-2022	2020-2021
		Kshs	Kshs
REVENUE	Note		
Revenue from non-exchange transactions			
Transfers from the National Government - Grants/gifts in kind	6	2,000,000	
Revenue from exchange transactions			
Rendering of Services - Fees from students	7	10,500	
Total revenue		2,010,500	
EXPENSES			
Use of Goods and Services	8	1,222,378	
Employee Costs	9	58,300	
Remuneration of Board Members	10	278,452	
Depreciation and Amortization Expense	14b	1,280,461	
Repairs and Maintenance	11	270,465	
Total Expenses		3,110,056	
Net Surplus / (Loss) for the Year		(1,099,556)	
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	
Surplus attributable to owners of the controlling Interest		(1,099,556)	

The notes set out on pages 6 to 20 form an integral part of these Financial Statements

W. W. Maiyo

 Wilberforce Wicks Maiyo
 Chairman of Board of Governors

[Signature]

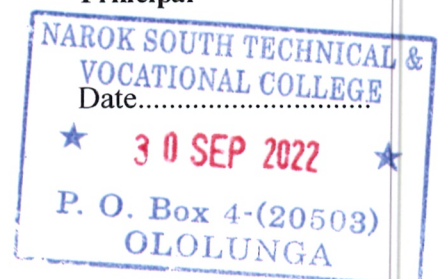
 Clement Amukhuma
 Senior Finance Officer (NTTI)
 ICPAK No. 17593

[Signature]

 Philip K. Terer
 Principal

Date *30/09/2022*

Date *30/09/22*



NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE
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XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2021-2022	2020-2021
		Kshs	
Assets			
Current assets			
Cash and cash equivalents	12	1,761,023	
Total Current Assets		1,761,023	
Non-current assets			
Property, plant and equipment	14	57,122,540	
Total Non-Current Assets		57,122,540	
Total Assets		58,883,563	
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	15	374,000	
Total liabilities		374,000	
Net Assets		58,509,563	
Revenue Reserves	17	(1,099,556)	
Capital & Reserves	18	59,609,119	
Total Capital & Reserves		58,509,563	
Total Net Assets and liabilities		58,883,563	

W. W. Maiyo

 Wilberforce Wicks Maiyo
 Chairman of Board of Governors

Date *30/09/2022*

Clement Amukhuma

 Clement Amukhuma
 Senior Finance Officer (NTTI)
 ICPAK No. 17593

Date *30/09/2022*

Philip K. Terer

 Philip K. Terer
 Principal



NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE
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XV. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE, 2022

	Revenue Reserves	Capital Reserves	Deferred Income	Total
Reserves	Kshs	Kshs		Kshs
Balance as at 1 July 2020				-
Revaluation				
Fair value adjustment on Capital	-	-		-
Total Comprehensive income				-
Capital/Development Grants received during the Year				-
Increase/(Decrease) in Deferred income for the year			-	
Transfer of Depreciation/Amortization from Capital to retained earnings				-
Balance as at 30 JUNE 2021	-	-	-	-
Balance as at 1 July 2021	-	-	-	-
Revaluation				
Fair value adjustment on Capital		1,676,127		1,676,127
Total Comprehensive income	(1,099,556)			(1,099,556)
Capital/Development Grants received during the Year	-	57,932,992		57,932,992
Increase/(Decrease) in Deferred income for the year				
Transfer of Depreciation/Amortization from Capital to retained earnings				-
Balance as at 30 JUNE 2022	(1,099,556)	59,609,119	-	58,509,563

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XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2022

	Note	Current Year	
			2021-2022
			2020-2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Transfer from other Government entities/Gov. grants	6	2,000,000	
Rendering of Services - Fees from Students	7	10,500	
Total Receipts		2,010,500	
Payments			
Use of Goods and Services	10	1,222,378	
Compensation to Employees	11	58,300	
Bog Members Expenses	12	278,452	
Repairs and Maintenance	13	270,465	
Total Payments		1,829,595	
Net cash flows from operating activities		180,905	
CASH FLOWS FROM INVESTING ACTIVITIES			
(Purchase) of plant and equipment		(96,009)	
Construction of Buildings		(57,932,992)	
Net Cash flow from Investing Activities		(58,029,001)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Grants for Development	18	59,609,119	
Net increase/(decrease) in cash and cash equivalents		84,896	
Cash and cash equivalents at the beginning of the Year		1,676,127	
Cash and cash equivalents at end of the year		1,761,023	
PER FINANCIAL STATEMENTS		1,761,023	

W. W. Maiyo
 Wilberforce Wicks Maiyo
 Chairman of Board of Governors

[Signature]
 Clement Amukhuma
 Senior Finance Officer (NTTI)
 ICPAK No. 17593

[Signature]
 Philip K. Terer
 Principal

Date *30/09/2022*

Date *30/9/22*



NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE
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XVII. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE, 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Change
	2021 - 2022	2021 - 2022	2021 - 2022	2021 - 2022	2021 - 2022	
REVENUE						
Transfers from National Government Ministries	2,000,000		2,000,000	2,000,000	-	0
Revenue from Rendering of Services	-		-	10,500	10,500	
Total revenue	2,000,000	-	2,000,000	2,010,500	10,500	
EXPENSES						
Use of Goods and Services	1,130,000	-	1,130,000	1,222,378	(92,378)	(8)
Employees Costs	100,000	-	100,000	58,300	41,700	42
BOG Members Expenses	280,000	-	280,000	278,452	1,548	1
Depreciation and Amortization	-	-	-	1,280,461	(1,280,461)	
Repairs and Maintenance	110,000		110,000	270,465	(160,465)	(146)
Total Recurrent Expenditure	1,620,000	-	1,620,000	3,110,056	(1,490,056)	
Surplus / Deficit	380,000	-	380,000	(1,099,556)		
Development Expenses	380,000		380,000	374,000	6,000	2
Total Expenditure	2,000,000	-	2,000,000	3,484,056	(1,484,056)	

**NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2022**

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Narok South Technical and Vocational College is under the Ministry of Education, State department of Technical and Vocational Training. In line with Technical and Vocational Education Training (TVET) Act of 2013 the institute has continually imparted its trainees with the necessary knowledge and skills for social economic development in business, science and technology.

The mandate of the institution is to train competent Human Resource for social economic development at TVET level. The institute's strategic obligations revolve around promoting Technical Training through access to quality training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value where applicable. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the college's accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act No. 18 of 24th July 2012, the State Corporations Act, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. Adoption of new and revised standards

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

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid-19. 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.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of College'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"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between College's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(The College has not dealt in Financial Instruments during the Year under review)</i></p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting College provides in its financial statements about social</p>

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Standard	Effective date and impact:
	<p>benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> a. The nature of such social benefits provided by the College; b. The key features of the operation of those social benefit schemes; and c. The impact of such social benefits provided on the College's financial performance, financial position and cash flows. <p><i>(The College participated in few activities of Corporate Social Responsibility as outlined in Section vii)</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <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> <p><i>(The College has not dealt in Financial Instruments during the Year Under Review.)</i></p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p><i>This improvement did not affect the operations the College during the Year under Review.</i></p>
IPSAS 43	Applicable 1st January 2025

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Standard	Effective date and impact:
	<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 the College.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><i>The College did not have any leases during the Year under Review.</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st 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> <p><i>The College did not have any current Assets held for sale during the Year under Review.</i></p>

iii. Early adoption of standards

The College did not early – adopt any new or amended standards in year 2022.

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4. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The College recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to 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 College.

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.

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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.

Budget information

The original budget for FY 2021/2022 was as provided by the State Department for Technical Training for new TVET Institutions.

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 College upon receiving the respective approvals in order to conclude the final budget.

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

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

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

b) Taxes

Current income tax

The College is exempt from paying taxes as per First schedule **section 10 subsection (a) and (b)** of the **Income Tax Act 470**.

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.

c) 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 College recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

The depreciation on Property, Plant and equipment has been provided at the following rates:

Asset	Rate
Land	0.00%
Plant, Machinery and Equipment	10.00%
Motor Vehicles	25.00%
Computers	30.00%
Furniture	10.00%
Intangible Assets	10.00%

d) 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

e) Research and development costs

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

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

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

i) Inventories

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

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

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

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

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

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

j) Provisions

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Provisions are recognized when the College 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 College 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 College 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 College 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 College 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.

k) Nature and purpose of reserves

The College has not created or maintained any reserves during the year under review.

l) Changes in accounting policies and estimates

The College does not recognize the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

m) Related parties

The College regards a related party as a person or the College with the ability to exert control individually or jointly, or to exercise significant influence over the College, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Chief principal and other Members of the Management as well as the Heads of Departments.

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n) 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the College's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting 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 College based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the College. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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- The condition of the asset based on the assessment of experts employed by the College
- 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.

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

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6 A) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES		2021-2022	2020-2021
	Unconditional Grants	KSH	
	Capitation	-	
	Operations	2,000,000	
	Total Grants and Subsidies	2,000,000	

6 B) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES				
Name of the College Sending the Grant	Amount Recognized to Statement of Comprehensive Income	Amount Deferred under deferred Income	Amount Recognized in Capital Fund	Total Grant Income During the Year
State Dept for VT	2,000,000	-		2,000,000
State Dept for VT			45,932,992	45,932,992
NArrok CDF			12000000	12000000
TOTAL				59,932,992

		2021-2022	2020-2021
7	RENDERING OF SERVICES	KShs	
	Tuition Fees	10,500	
	Total revenue from Rendering of Services	10,500	
		2021-2022	2020-2021
8	USE OF GOODS AND SERVICES	KShs	
	Security	11,000	

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	Marketing and Publicity		136,306	
	Local Travel & Transport		83,800	
	School Equipment & Stores (SES)		174,945	
	General Cleaning		93,065	
	Subsistence Allowances		387,505	
	Bank Charges		2,730	
	Staff Development		233,800	
	Food Items Expenses		26,663	
	Postage and Telephone Expenses		14,590	
	Printing and Stationery		57,974	
			1,222,378	
9	EMPLOYEE COSTS		2021-2022	2020-2021
			KShs	
	Salaries and Wages - Training Staff		-	
	Salaries and Wages - Non-Training Staff		58,300	
	Total Staff Costs		58,300	
10	BOG MEMBERS EXPENSES		2021-2022	2020-2021
			KShs	
	Sitting Allowances		278,452	
	Total Staff Costs		278,452	
			2021-2022	2020-2021
11	REPAIRS AND MAINTENANCE		KShs	
	Maintenance of Buildings		270,465	
	Total Repairs and Maintenance		270,465	
			2021-2022	2020-2021
			2021-2022	2020-2021
12	CASH AND CASH EQUIVALENTS		KShs	
	Current Account		1,754,797	
	Savings Accounts		-	
	On - Call Deposits		-	
	Fixed Deposits Account		-	
	Others (Specify)		6,226	

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	Total Cash and Cash Equivalents		1,761,023	
			2021-2022	2020-2021
13	(a) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS		KShs	
	(a) Current Account			
	KCB Bank Ltd : 1260306356		1,754,797	
	Cash in Hand		6,226	
	Grand Total		1,761,023	
			2021-2022	2020-2021
14	(a) Property Plant and Equipment		KShs	
	Land		-	
	Buildings		56,774,332	
	Plant Machinery & Equipment		-	
	Motor Vehicles		-	
	Computers		261,800	
	Furniture		86,408	
	Intangible Assets		-	
			57,122,540	
			2020-2021	2019-2020
	(b) Depreciation and Amortization		KShs	
	Buildings		1,158,660	
	Property, plant and equipment		-	
	Motor Vehicles		-	
	Computers		112,200	
	Furniture		9,601	
	Intangible Assets		-	
			1,280,461	
15	TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS			
			2021-2022	2020-2021
			KShs	
	Sundry Creditors (for Purchase of Computers)		374,000	

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APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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

NB. This is the first set of accounts



Philip Kiplang'at Terer

PRINCIPAL/SECRETARY BOG



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APPENDIX II: PROJECTS IMPLEMENTED BY THE COLLEGE

Projects

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

	Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements
1							
3							
4							
5							
6							

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APPENDIX III: STATUS OF PROJECTS COMPLETION

		Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
3							
4							
5							
6							

NB. This is a new institution and has not embarked on any projects.

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APPENDIX III: INTER-COLLEGE TRANSFERS

COLLEGE NAME:		NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE		
Break down of Transfers from the State Department of Science and Technology				
FY 2021/2022				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	A I A operation	06.11.2021	500'000.00	2021/2022
	A I A operation	30.03.2022	500,000.00	
	A I A operation	30.06.2022	500,000.00	
	A I A operation	05.07.2022	500,000.00	
		Total	2,000,000.00	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total		

The above amounts have been communicated to and reconciled with the parent Ministry

CPA clement Amucituma

Finance Officer - NTTI
For Narok South Technical and Vocational College

Head of Accounting Unit
State Department for Technical
And Vocational Training.
Ministry of Education

Sign

[Handwritten Signature]

Sign-----

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER
GOVERNMENT ENTITIES

6 B) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES						
	Name of the College Sending the Grant	Amount Recognized to Statement of Comprehensive Income	Amount Deferred under deferred Income	Amount Recognized in Capital Fund	Total Grant Income During the Year	Prior Year 2019/2020

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APPENDIX V: FIXED ASSETS SCHEDULE

Property, Plant and Equipment	Buildings	Computers	Furniture	Total
	Ksh	Ksh	Ksh	Ksh
	2.00%	30%	10%	
COST				
Cost as at 1st July 2021	57,932,992			57,932,992
Additions for the Year		374,000	96,009	470,009
Valuations for the Year				-
Disposals in the Year				-
Gain(Loss)on Disposal				-
Cost as at 30 June 2022	57,932,992	374,000	96,009	58,403,001
DEPRECIATION				
Depreciation As at 1st July 2021				-
Charge for the year	1,158,660	112,200	9,601	1,280,461
Disposal During the Year				-
Depreciation as at 30 June 2022	1,158,660	112,200	9,601	1,280,461
Book Value as at 30th June 2022	56,774,332	261,800	86,408	57,122,540

