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Leader of the majority party
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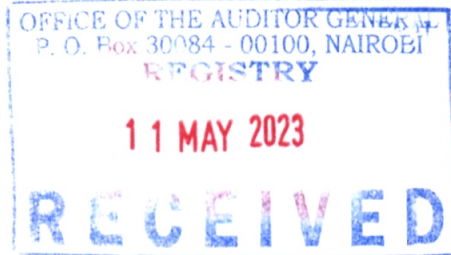
THE AUDITOR-GENERAL

ON

**KASARANI TECHNICAL AND
VOCATIONAL COLLEGE**

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





Learning the practical value of knowledge

KASARANI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2022

PREPARED IN ACCORDANCE WITH THE ACCRUAL BASIS OF ACCOUNTING METHOD
UNDER THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
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I. Key Entity Information and Management

(a) Background information

Kasarani Technical and Vocational College was established under the TVET Act on 26 April 2017. The entity is domiciled in Kenya and has no branches. The institute is under the Ministry of Education. The institution has nine academic departments namely: Electrical & Electronics, Welding & Fabrication, Mechanical & Automotive, ICT & Computing, Hospitality, Agriculture and Business Studies. Administratively the college is headed by: The Principal, the Deputy Principal academics, the Deputy Principal administration, The Registrar, Dean of Students and the Finance Officer.

(b) Principal Activities

The principal activity of Kasarani Technical and Vocational College is to be a centre of excellence in technical training and to be CBET focused.

Vision Statement: A centre of excellence in the Provision of Competency Based Education and Training (CBET)

Mission Statement: To produce highly skilled and competitive graduates through quality training in partnerships with the stakeholders for the global market.

Motto: Learning the Practical Value of Knowledge

Core Values: KTVC will be governed and will strive to uphold the following core values:

- ✓ Accountability
- ✓ Teamwork
- ✓ Professionalism
- ✓ Transparency
- ✓ Patriotism
- ✓ Integrity
- ✓ Equity
- ✓ Quality

(c) Key Management

Kasarani Technical and Vocational College's day-to-day management is under the following key organs:

- The Board of Governors
- The Principal

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- The fiduciary Management which comprises: Principal, Deputy Principals, Registrar, Dean of Students, and the Finance Officer.

(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. David Onyimbo
2.	Deputy principal Administration	Ms. Josphine Begi
3	Deputy principal Academics	Mrs. Teresia Mutuku
4	Registrar (s)	Mr. Richard Amari
5	Dean of students	Mr. Vitalis Wangila
6	Head of Finance	CPA Mr. Josiah Nyauncho
7	Procurement Officer	Ms. Ann Njeri

(e) Fiduciary Oversight Arrangements

- Audit and risk committee activities
- Finance and operations committee activities
- Academic committee activities
- Development partner oversight activities
- Other oversight activities)

Kasarani technical and Vocational College has in place several fiduciary oversight committees that act as enablers of the institution:

i. Infrastructure and Finance Committee:

This committee sets up viable policies that dictate how the college's assets and funds are managed as well as coordinating the human resource function. It sets up the school fees structure and is always available for consultation on financial matters affecting the college.

The composition of the committee is as the table below;

S/No.	Member	Designation
1.	Ms. Doreen Nkirote	Chair
2.	CPA Dr Elizabeth Kalunda	Member
3.	Ms Robai Shiakhutsa	Member
4.	Ms. Pauline Kyule	Member
5.	Mrs. Maryam Abdi Hassan	Member
6.	Mr. David Onyimbo	Secretary

ii. Education and Training Committee:

The committee looks into and supports all academic matters of the college providing guidance on training methods and practices, courses and their uptake as well as advising management on education matters.

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This committee is as follow:

S/No.	Member	Designation
1..	Dr. Kiyeng Chumo	Chair
2.	CPA Dr. Elizabeth kalunda,	Member
3.	Ms. Doreen Nkirote	Member
4.	Ms Pauline Kyule	Member
5.	Mrs. Maryam Abdi Hassan	Member
6.	Mr. David Onyimbo	Secretary

iii. Audit Committee:

This committee's role is to provide oversight of the financial reporting process, the audit process, the Kasarani technical and Vocational College's system of internal controls and compliance with laws and regulations. This committee was not composed under the period in review since there was an internal auditor in place but going forward the board has employed one who as assumed duties.

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Key Entity Information and Management (Continued)

(f) Entity Headquarters

Kasarani Technical and Vocational College
Kamulu Shopping Centre, Off Kangundo Road
P.O. Box 51898-00200
Nairobi, Kenya

(g) Entity Contacts

Telephone: (+254) 0716685054
E-mail: kasaranitechnical@gmail.com
Website: www.kasaranitechnical.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
Kencom House,
Moi Avenue,
P.O. Box 48400-00100,
Nairobi, Kenya.

(i) Independent Auditors





Auditor-General
Office of Auditor General
Anniversary Towers, Institute 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

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II: The Board of Governors

<u>NAME AND PHOTO</u>	<u>DATE OF BIRTH, QUALIFICATIONS AND WORK EXPERIENCE</u>
 1. Mr James Maina Chairman	D.O.B- 28/10/1976 Qualifications- Bachelor of Arts degree Current work experience- Business Growth and Development Manager at Equity Bank An Independent member and a Chair of the Board
 2. Dr Elizabeth Kalunda, CPA Member	D.O.B- 03/03/1973 Qualifications- PhD Finance, Certified Public Accountant of Kenya Current work experience- Lecturer- USIU, Nairobi. An Independent member
 3. Dr Philip Kiyeng Chumo Member	D.O.B- 25/01/1972 Qualifications- PhD -Business Information Current work experience- Lecturer- Moi University, Eldoret. An Independent member and chairs the Education and training committee
 4. Ms Doreen Nkirote Member	D.O.B- 29/02/1986 Qualifications- Bachelor of Commerce (Finance) Current work experience- Board Director- Tana Water Service Board An Independent member and the chair of the Infrastructure and finance committee

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 <p>5. Ms. Ruth Akinyi Owuor Member</p>	<p>Qualifications- Masters in Education (Education Planning) Current Work Experience- Director for City Education, Nairobi county. An Independent member</p>
 <p>6. Ms. Robai M. Shiakhutsa, CS Member</p>	<p>D.O.B-11/08/1986 Qualifications- Master of Laws- LLM, Certified Secretary of Kenya. Current work experience- Advocate of the High Court An Independent member</p>
 <p>7. Ms. Pauline Kyule Member</p>	<p>D.O.B- 2/11/1990 Qualifications- Bachelor of Commerce (Procurement Option) Current work experience- Entrepreneur An Independent member</p>

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 <p>8. Mrs. Maryam Abdi Hassan Member</p>	<p>Qualifications- Bachelor of Education (Science) degree Current work experience- County Director- TVET Nairobi Region. An Independent member</p>
 <p>9. Eng. Clement Maiko Member</p>	<p>D.O.B- 01/01/1977 Qualifications- Engineer An Independent member</p>
 <p>9. Mr. David Onyimbo Principal/Secretary</p>	<p>D.O.B- 22/11/1962 Qualifications- Master of Business Administration -Strategic Management Current work experience- Principal- Kasarani Technical and Vocational College. He is a non-member of Institute of the institute of certified public secretaries of Kenya</p>

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III. Management Team

<u>NAME</u>	<u>RESPONSIBILITY</u>
 1. Mr. David Onyimbo	The Principal Qualifications- Master of Business Administration -Strategic Management
 2. Ms. Josephine Begi	Deputy Principal- Administration MBA in Economics, policy Management, Statistics and commerce.
 3. Ms. Teresia Mutuku	Deputy Principal Academics
 4. Mr. Richard Amari	Ag. Registrar

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5. Mr. Vitalis Wangila

Ag. Dean of Students



6. CPA Mr. Josiah Nyauncho

Finance Officer
MBA, Finance option
BBM, Finance and banking option
CPAK: ICPAK 29221

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IV. Chairman's Statement

In the global arena, Science, Technology and Innovation (STI) are the drivers for rapid economic prosperity, social development and provision of tools and solutions to address global challenges. For this reason, the government through the Ministry of Education (MOE) has strengthened the focus of STI and technical education policies as underlying the country's national development efforts. In addition, in the Constitution of Kenya (2010), Chapter Two, article 11 (b) provides that, "the State shall recognize the role of science, and indigenous technologies in the development of the nation".

The Government's National Development Agenda is clearly outlined in various key policy documents and plans including the Kenya's Vision 2030. The government also recognizes that its development agenda can be accelerated if there is renewed focus on the integration of STI in all the social-economic sectors as outlined in the Vision 2030. For this reason, the Government has embraced Science, Technology and Innovation and Technical Education (TE) as one of its top priorities.

The Ministry of Education is mandated to spearhead the integration of STI, TE and Higher education in national development. It has prepared its strategic plan as a comprehensive statement on how it plans to pursue its mandate for the next five years. In line with the government and the ministry's development agenda, KTVC as one of the TVET institutions charged with the mandate of training middle level technical manpower, has come up with this strategic plan (2021-2026) as its road map to guide its development agenda.

Following the ongoing education reforms in Kenya, the KTVC Board acknowledges the existence of emerging issues and trends in education, and therefore there is need in leveraging on technological advancement in order to offer quality training that will equip the graduate with the 21st century skills necessary to cope with the emerging issues in the industry. Moreover, the board comprises of members with various wealth of experience in different fields which has enabled them to come up with policies and regulations that guides the institution in achieving the set goals. On this regard, we shall strive to fulfil our obligations as contained in the KTVC Service Delivery Charter and look forward to a successful implementation and evaluation of this Strategic Plan.

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Since the institution was established to a college in 2017, there has been tremendous growth, both in terms of students' enrolment and infrastructure development. Our trainee's population is over 1,100. The government of Kenya has continued to support the college by employing trainers and equipping our workshops and classrooms with modern tools.

The college board of governors has continued to play its oversight role effectively to ensure good governance. This has led to initiation and completion in time of various developments projects. It's worth noting that the board of governors have continued to employ additional trainers to bridge the gap. On average the board employee's ten trainers on part-time basis. The staff have worked hard to make Kasarani technical and vocational college a special place for us all. They are the heart and soul of this place, committed to our mission "*To produce highly skilled and competitive graduates through quality training in partnerships with the stakeholders for the global market.*"

In the face of increasing completion, it is notable to recognise the remarkable progress the college has made. We attract trainees and staff from around the country. We are a more national college than we have ever been, with record numbers of applications of trainees with a desire to train here. We continue to mould trainees in academics as well as recognise the talent in co-curricular activities like sports, choir and creative arts.

Even as we enjoy our growth in enrolment as well as infrastructure, we have our share of challenges as this infrastructure are temporal. Moreover, the college doesn't have a continuous supply of water among many notable challenges. The college is standing on an approximate 10.0 acre land, which is inadequate for expansion to increase access to TVET training. We appreciate the MOE for its efforts in facilitating issuance of the title deed. However the process should be fast-tracked. Also, learning space, in terms of lecture rooms and halls, is inadequate. We hope the government will come to our aid to finance our envisioned growth in the strategic plan and master plan that have recently been viewed and developed respectively.



10/5/2023

JAMES MAINA WANGECHI

CHAIRMAN, BOARD OF GOVERNORS - KTVC

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V. Report of the Principal

The integration of Science, Technology and Innovation (STI) in the national productive process is central to the success of the Government's policy priorities and programmes outlined in Kenya's Vision 2030. This is particularly important within the context of demands for global economic competitiveness, sustainable development and equity concerns. Consequently, the development of the necessary scientific infrastructure, as well as the technical and entrepreneurial skills is an essential prerequisite for transforming Kenya into a knowledge based-society.

Over the years, Government policy and investment priority in education has been directed towards Technical and Vocational Education and Training (TVET). The Government recognizes the role played by this sub-sector in achieving the development goals of the economy, especially in skills development, employment creation, income earnings, and poverty reduction. The priority has been to ensure equitable access and improvements in quality and efficiency in all TVET programmes. This is guided by the understanding that good education and training can contribute significantly to economic growth, improved employment prospects and income generating opportunities.

It is on the basis of this policy framework that KASARANI TECHNICAL AND VOCATIONAL COLLEGE (KTVC) has developed a Strategic Plan year 2021-2026. This STRATEGIC PLAN aims at aligning KTVC's long term development plans with the country's 3rd Medium Term Plan of Vision 2030, The BIG FOUR agenda, post Covid19 recovery strategies, plans and TVET goals and programmes. This Strategic Plan has been prepared through an all-inclusive participatory process aimed at ensuring a broad-based participation in the provision of education and training with all stakeholders taking responsibility for planning and implementation. The successful implementation of the plan requires collaboration of all key stakeholders including the government. The plan therefore, contains the strategies for engendering increased collaboration between stakeholders in the sector in terms of resource mobilization, funding and sectoral governance.

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The plan also articulates the Institution's Vision and identifies the strategic objectives to be achieved during the plan period. In this regard, the plan proposes a systematic facet of issues from which pertinent objectives are realized and addressed through derived strategies. Essentially, this strategic plan presents KTVC's corporate strategy and provides a sufficient framework within which Performance Contracts and annual work plans will be developed.

The purpose of this strategic plan is therefore, as follows:

1. To enhance access and equity to TVET and higher education;
2. To enhance infrastructure;
3. To enhance customer satisfaction;
4. To enhance prudent management of resources;
5. To Enhance Research, Development and Innovations in KTVC;
6. To uphold good Corporate Governance.

The management wishes to thank everyone who has been involved in the development and the production of the strategic plan. The BOG has provided the wisdom and guidance required in ensuring that the document is executable within the framework of operations at the institution. Both the heads of teaching and service departments have made valuable contribution in compiling and crafting the document. All staff is appreciated for insights made to improve this document. The trainees will not be forgotten for they provide the reason for the existence of this document.



MR. DAVID OGEGA ONYIMBO
PRINCIPAL/SECRETARY BOG

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VI. Statement of Performance against Predetermined Objectives

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

Kasarani technical and vocational college has eight strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2021- FY 2026. These strategic pillars are as follows:

- (i) Training and Skills Development;
- (ii) Facilities and Infrastructure;
- (iii) Customer Care;
- (iv) Human Resource Development Resources;
- (v) Research, Development & Innovations (R, D & I);
- (vi) Institutional Governance.
- (vii) Student Welfare

Kasarani technical and vocational college develops its annual work plans based on the above 8 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *College* achieved its performance targets set for the FY 2021/22 period for its eight strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
i) Training and Skills Development;	To enhance access and equity to TVET	<ul style="list-style-type: none"> • No. of Curriculum/ courses implemented • No. of linkages & partnership • Sensitization reports 	<ul style="list-style-type: none"> i. Diversification of training programmes; ii. Increase provision of trainee loan, bursaries and scholarships through partnerships. 	Awaits Launch and implementations

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ii) Facilities and Infrastructure;	To enhance infrastructure	<ul style="list-style-type: none"> • General work plan • Review reports • Schedules • Budget • Repairs register • Completion certificate/job card • Plans • Bills of Quantities • Minutes & Inspection reports • Procurement documents 	(i) Diversification of training programmes (ii) Complete on-going and construct proposed infrastructural projects	
iii) Customer Care;	To enhance customer satisfaction	<ul style="list-style-type: none"> • Customer satisfaction survey reports • Reports Completion certificates • Reviewed service charter • Document review form • Minutes of review meeting 	(i) Improve customer care (ii) Integration of ICT in service delivery (iii) Enhance occupational safety and health	
iv) Human Resource Development Resources;	To enhance prudent management of resources	<ul style="list-style-type: none"> • Human resource policy • Advertisement • Interview invitation letters • Committee minutes 	(i) Utilisation of available land (ii) Enhance financial Management System	

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		<ul style="list-style-type: none"> • Interview reports • Appointment letters 	(iii) Enhance human resource Management	
v) Research, Development & Innovations (R, D & I);	To Enhance Research, Development and Innovations in KTVC	R,D&I Policy Certificates, Reports , attendance list Research papers Innovations Conferences Exhibitions reports Incubation centre, Reports	(i) Capacity Building (ii) Resource mobilization	
vi) Institutional Governance.	To uphold good Corporate Governance	<ul style="list-style-type: none"> • Constitution Relevant ACTs, regulation, policies and statutory requirements Policies, strategies & programmes 	(i) The BOG to develop and approve Institutional policies and regulations (ii) The BOG to monitor and offer oversight on implementation of Institutional policies and regulations. (iii) Implementation of statutory obligations. (iv) Embrace Results Based Management (v) Promote Corporate Social Responsibility (CSR) (vi) Improve Public Image	
vii) Student Welfare	(i) To enhance the trainees' training experience;	<ul style="list-style-type: none"> • No. of playing fields • No of indoor sports facilities 	(i) Enhance trainees' recreation activities (ii) Enhance General Trainees' Welfare	

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		<ul style="list-style-type: none">• Trainee retention and course completion statistics• Trainees access to career information• Level of trainees participation in various co-curricular activities• Attendance records and certificates awarded		
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VII. Corporate Governance Statement

The Board of Governors of Kasarani Technical and Vocational College is constituted of 10 members including the Chair, Secretary and members. In the Financial year 2021/2022 the board has met fourth (4) times over the course of the period under review as follows: once for the general meetings per quarter for the year as the full board. Equally, there were other twelve (12) committee meetings per quarter met to deliberate key institutional policies and activities as per the Mwongozo on committee meetings and a leadership workshop with high attendance levels by the members. The roles of the board are oversight and management of the college activities. Members have been able to provide any and every assistance that has been asked of them by the Management team and are also able advice on policies and growth strategies for the betterment of the Institution.

On the board charter the board appointed four member who have committed their time and are working on the drafting the board charter which will be discussed by the full board. Once passed, it will be adopted and implemented by the Institution.

The board members are appointed by the Cabinet secretary for Education and serve a maximum of two (2) terms of three (3) years each. The succession of the board is carried out by the ministry of education who search for new members before the expiry of the terms of the sitting members and appoint the ones deemed most qualified for the roles. Sometime last year (2020/2021) the board witnessed a change where some members retired after expiry of their term at the end of January 2021 and others joined in February 2021. It's worth noting that Eng. Abraham Korir declined the offer and was replaced by Eng. Clement N. Maiko.

The members who retired were:

1. Mr. John Kamuiru- Chairman.
2. Mr. Dennis Odhiambo- Member.
3. Ms. Marjorie Nangulu- Member.
4. Mr Oliver Rumiti- Member.
5. Eng. Clement N. Maiko- Member.

The new members who joined the board were:

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1. Mr. James Maina- Chairman.
2. Ms. Doreen Nkirote- Member.
3. Ms. Robai Shiakhutsa, CS - Member.
4. Dr. Kiyeng Chumo- Member.
5. Eng. Clement N. Maiko- Member.

The members who were re-appointed to continue serving on the board were:

1. Dr. Elizabeth Kalunda, CPA- Member.
2. Ms. Pauline Kyule- Member.
3. Ms. Ruth Owuor- Member representing the Nairobi County Governor.

Together with the County director, TVET, Nairobi region and the Principal who is the secretary to the board, the Board of Governors is well constituted

The board is also keen on enhancing the growth of the college and through Performance Contracting where several strategies were passed which included marketing the college extensively via media sources as well as introducing and streamlining various courses in the institution and enabling funding to buy equipment for these courses to be able to thrive and attract more students especially hospitality courses that are in demand from the myriad of inquiries that were recorded at the college; to this effect the board was able to avail funds for the management to enhance the Hospitality department. Other courses that were approved include: Manual Metal Arc Welding Level 4, Horticulture Nursery Management, Automotive Technician Level 5 and Food and Beverage Level 4 which are all TVET-CDACC Courses aimed at achieving the Big 4 Agenda. The infrastructural developments that were approved include: Additional Classrooms, Additional Computers, Reading shades and a Kitchen.

The Board has also been able to prepare the Budget estimates for the Incoming Financial Year 2021/2022 and submitted them to our parent ministry. The Board also approved the use of A-I-A that has been realized from the students' fees to be utilized in the construction of some of the projects identified earlier and others to be used in administration of the college.

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So far there have been no cases of conflict of interest or ethical misconduct as the board remains united in delivering its mandate of ensuring Kasarani Technical and Vocational College grows to be one of the leading Technical Institutions in the country.

Therefore, with the recruitment of the internal auditor, the board restructured their committee as follows:

1. Finance & Infrastructure committee
 - a) Dr. Elizabeth Kalunda – Chair
 - b) Eng. Clement N. Maiko-Member
 - c) Ms Maryam Abdi- Member
 - d) Mr. Onyimbo David- Secretary

2. Audit and risk Committee
 - a) Ms. Doreen Nkirote- Member
 - b) Ms. Ms. Robai Shiakhutsa, CS-Member
 - c) Ms. Maryan Abdi CD – Member
 - d) CPA Sospeter O. Odhiambo-Secretary

3. Education Committee
 - a) Dr. Kiyeng Chumo-Chair
 - b) Ms. Pauline Kyuele- Member
 - c) Ms. Ruth Owour- Member
 - d) Mr. Onyimbo David- Secretary

Finally, the board approved the strategic plan that will run from 2021-2026 and the Master plan the will guide on the implementation of the College vision and mission. The master plan give a clear roadmap on how to utilize the available land and other resources in an effective and efficient manner. Both key documents awaits to be launched which the college management hope will be done under the financial 2022/2023 and fully implemented.

VIII. Management Discussion and Analysis

Kasarani TVC closed the year with 1084 trainees steadily growing from 742 trainees. We managed to surpass our target of 1,000 trainees by 84 trainees, which translates to 8.4% above the target. During the financial year, we therefore managed a 46.09% growth in student population. This number not only boosted our enrolment but also our financial health, since government capitation depends on the number of eligible students successfully enrolled in the various courses offered by a learning Institution. More trainees will lead to a high liquidity ratio to our financial statement and attract more cashflows that will facilitate investment in infrastructure that is key for the growth and development of the College and the realization of Kenya's Vision 2030 and Sustainable Development Goals that strive to ensure quality, relevance and access to training.

This growth also culminated into a deficit of trainers. Hence, the management had to get the services of Twenty Two (22) BoG trainers to bridge the gap as shown in table below:

S/ No	Department/Section	Course Category Stem/Business	CBE @ 24hrs/Wk	Trainers In- Post			Deficit/ Surplus	BoG Trainers	Student enrolment			Recent Exam Performance		
				M	F	Total			M	F	Total	Entry No	Pass No	% Pass
1	Administration: Principal	N/A	1	1	0	1	0	0	0	0	0	0	0	0
2	Administration: Deputy Principal - Administration	N/A	1	0	1	1	0	0	0	0	0	0	0	0
3	Administration: Deputy Principal - Academics	N/A	1	0	0	0	1	0	0	0	0	0	0	0
4	Business Studies Department	Business	10	2	4	6	4	4	45	94	139	40	35	87.5
5	Agriculture and Environmental Studies Department	STEM	4	1	2	3	1	1	11	18	29	9	9	100

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6	Hospitality and Institutional Management Department	STEM	5	0	2	2	3	2	33	99	132	20	17	85
7	ICT Department	Business	8	6	1	7	1	1	99	57	156	35	23	65.71
8	Building and Civil Engineering Department	STEM	7	2	2	4	3	3	163	20	183	21	7	33.33
9	Automotive Engineering Department	STEM	5	2	0	2	3	2	84	7	91	23	4	17.39
10	Electrical and Electronics Engineering Department	STEM	13	9	2	11	2	1	273	39	312	90	19	21.11
11	Mechanical Engineering Department	STEM	5	3	0	3	2	0	41	1	42	14	3	21.43
12	Science and Mathematics (Support)	STEM	3	1	0	1	2	0	0	0	0	0	0	0
		TOTAL	63	27	14	41	22	14	749	335	1084	252	117	46.43

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During the financial year, the College registered mean performance of 62.56% in the KNEC Examinations by scoring 78.69% and 46.43% in the July and November 2021 examinations respectively. This score put Kasarani TVC on the national map since it was a result above the national average of 53.01%.

During the year, the management, with support from the Board of Governors, was able to plan and implement several projects as outlined in the performance contract of the FY 2021/2022 using internally generated revenue and capitation grants to ensure continuity and avoid a scenario where we would have to shut our doors to prospective students. Among the measures implemented were finding measures to develop temporary classes and equipping workshops for training, increasing office space among others. These developments have been summarized as follows:

SN	NAME OF DEVELOPMENT PROJECT UNDERTAKEN	STATUS OF COMPLETION	ACTUAL DATE OF COMPLETION	PROJECT COST (SH)
1	Construction Of Temporary Workshops And Classrooms	100% Complete	31/01/2020	1,973,149
2	Construction Of A Toilet For Female Students	100% Complete	28/01/2021	474,425
3	Fencing And Making A Gate	100% Complete	01/10/2020	585,462
4	Construction And Equipping Of Isolation Room	100% Complete	28/05/2021	163,556
5	Partitioning Of Offices	100% Complete	15/04/2021	145,000
6	Construction Of Office Cabinets For Filing Of Documents And Record Keeping	100% Complete	26/02/2021	82,021
7	Covid-19 Preparedness (Making Of Washing Points Around The College)	100% Complete	03/12/2020	276,440
8	Conversion And Equipping Of Food And Beverage Kitchen	100% Complete	29/06/2021	277,392
9	Making Shelves In The Library	100% Complete	31/3/2021	110,983
	Total			4,088,428

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These initiatives have so far been successful in enabling us perform our core mandate and we will continue to do more with the little we have, we hope that in future development funds will be available to enable us embark on more projects aimed at making Kasarani TVC a centre of excellence.

SECTION B

Entity's compliance with statutory requirements

The Institution has ensured compliance with the relevant statutory obligations as outlined in the Constitution of Kenya, Technical and Vocational Training (TVET) Act 2013, Public Finance Management Act 2012, Public Procurement and Disposal Act 2015 and the Regulations of 2016. The College also filed and remitted to Kenya Revenue Authority (KRA), NSSF, NHIF and HELB statutory deductions on behalf of our employees. We have also adhered to Ministry guidelines especially those issued by the Ministry of Health during this pandemic period as well as our parent Ministry's guidelines as they arise.

SECTION C

Key projects and investment decisions the entity is planning/implementing.

During this semi-annual period for the FY 2021/2022, the Board of Governors was able to devise and identify key projects that need to be implemented using internally generated revenue and capitation grants to ensure continuity and avoid a scenario where we would have to shut our doors to prospective students. Among the measures to be implemented is to develop temporary classes and workshops for training, provision of drinking water points for the students and increasing office space among others. These developments have been summarized as follows:

SNO	NAME OF DEVELOPMENT PROJECT UNDERTAKEN	STATUS OF COMPLETION	ACTUAL DATE OF COMPLETION	PROJECT COST (SH)
1	Construction of 3 Temporary Workshops and 8 Classrooms	100 % Complete	31/03/2022	3,635,550.00
2	Construction of a Trainees reading shade	70% Complete	30/06/2022	275,015.00
3	Construction of 3 Temporary Workshops mechanical ,automotive, building and civil training shed measuring (18.0 X 10.0 M)	80% Complete	30/06/2022	809,900.00
4	Construction Trainees Drinking water point	100% Complete	31/12/2021	101,000.00

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5	Partitioning Of the second ICT LAB.	100% Complete	31/12/2021	122,280.00
6.	Construction on Cabros car park (in Piece meal)	0% Complete	30/06/2022	2,750,319.00
7.	Procure of 20 Desktop computers	60% Complete	31/12/2021	2,090,000.00
8.	Construction of an incinerator	100% Complete	30/06/2022	88,950.00
9.	Painting and Branding of the college building	100% Complete	31/12/2021	272,200.00
10.	Purchase of staff Chairs and tables	100% Complete	31/12/2021	629,420.00
11.	Purchase of 20,000 lts tanks and construction of water harvesting points.	100% Complete	31/12/2021	200,250.00
	Total			10,974,884.00

These initiatives will be a success in enabling us perform our core mandate and we will continue to do more with the little we have, we hope that in future development funds will be available to enable us embark on more projects aimed at making Kasarani TVC a centre of excellence. Moreover, the management through the guidance of the Board has identified other more market-driven courses that are up for implementation once the developments funds are availed or as the college attracts any donor funds.

The courses and their cost as follows:

PROPOSED NEW COURSES REQUIREMENTS COST ESTIMATES

NO.	Course	Cost (Kshs)
2	Hair dressing & Beauty Therapy	379,500.00
3	Fashion Design and Garment Making	348,500.00
4	Diploma in Food and Beverage, Diploma in Catering and Accommodation	389,900.00
5	NITA course in Welding and Fabrication	245,410.00
	TOTAL	2,327,310.00

Note

The above costs are informed by the cost of inputs or the capital injections that is required to start-up those courses that were projected by the Departmental Heads of the College.

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SECTION D

Major risks facing the entity

The Institution, like many others, has faced risks during its lifetime. During the year, the College faced economic risks due to the shocks caused by the pandemic forcing the management to shore up as much cash flow as possible to be able to meet its ongoing operations, pay salaries to staff and meet its obligations to its creditors.

The Institution identified areas that could lead to fraud risks and tightened internal controls by including more signatories to documents, analysing student payments to identify fraudulently paid fees, hiring of a Procurement and Finance Officer; in order to provide added oversight within those departments, enhancing independence of officers in charge of vital offices to remove any conflict or reason that may allow for fraud to occur and observing recommendations of the external auditors.

The liquidity risks we have faced have largely been contributed to an increase in the amount of fees paid in advance brought about by instances of students paying fees, receiving HELB loans and bursaries and other financial aid after clearing their initial school fees. These amounts have been recognized in our trade payables.

SECTION E

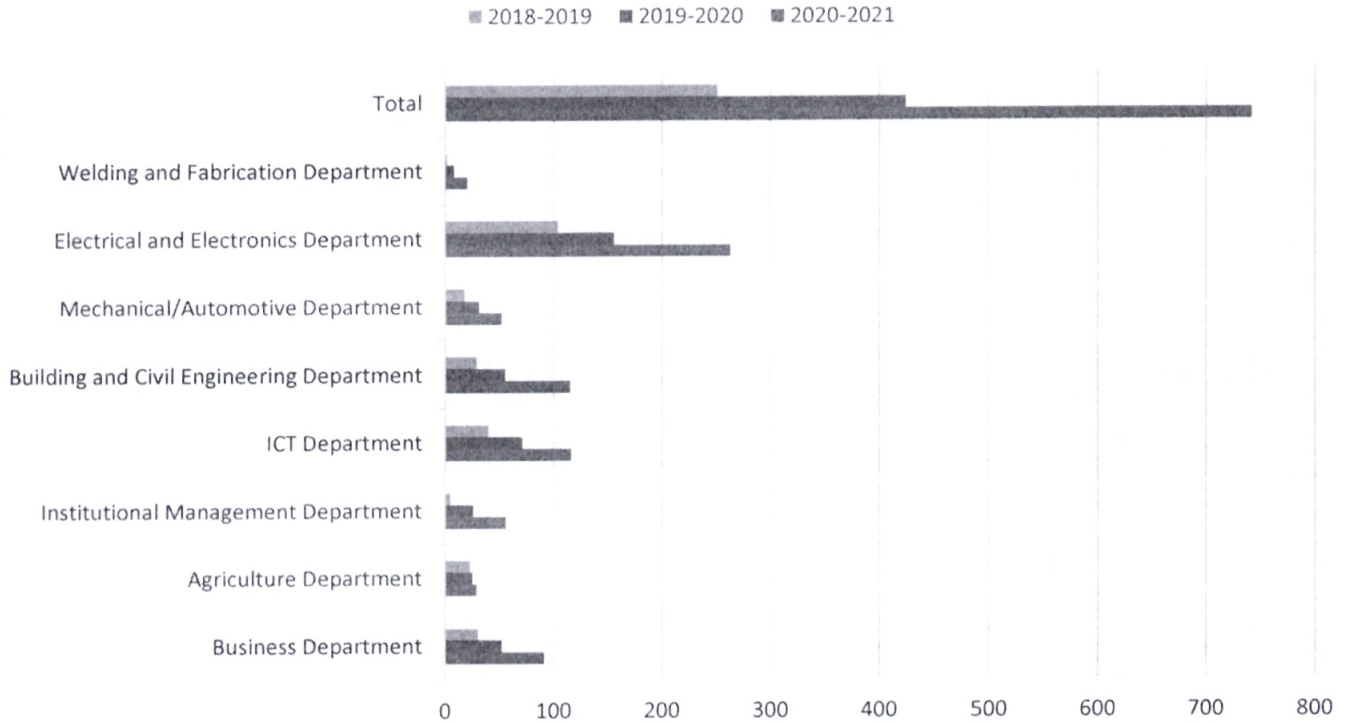
Material arrears in statutory/financial obligations

The increased admissions along with the transfer of students from the Kenya Technical Trainers College (KTTC) increased our debtors significantly although we are confident of recovering these debts thus there is no provision of bad debts in our financial statements. Moreover, the advent of sports events at the end on the fourth quarter led to accumulation of supplier bills, since we received capitation funds at the end of the quarter, they will be utilised to settle these pending bills. In view of the above, the management envisions a brighter future where more will be done to continue growing the institution.

Our growth so far is highlighted below:

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CHART OF STUDENT ENROLLMENT 2018-2021



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IX. Environmental and Sustainability Reporting Statement

We recognise the importance of a balanced approach to event management which takes into account the city's economy, ecology, society and culture. Our goal is to reduce the impact of events we manage and approve on the environment. The City's Sustainable Event Management Policy and Guidelines encourage, and in some cases require, that events run by the City:

- minimise waste generation
- maximise recycling
- minimise energy consumption
- maximise use of renewable energy
- minimise water consumption
- conserve bio-diversity
- minimise impacts on climate change and
- promote principles of sustainability

Sustainability strategy and profile

A sustainable business strategy is a set of actionable steps that an institution takes to improve their impact on the community and the environment. Sustainable strategies can take time to implement, but when done correctly, they should benefit the college and its employees as well.

These strategies include:

- Enhancing materiality to make it integral to the business.
- Developing robust climate change mitigation and adaptation strategies.
- Respecting planetary and social boundaries through context-based sustainability.
- Innovating with new sustainable business models. Through this the college will;

a) Organizational sustainability

The strategy focuses on achieving fiscal, institutional and environmental sustainability within the college as well as community engagement, having in place a risk management framework and implementation of strategies to mitigate the defined risks.

b) Financial sustainability

The college has diversified its resources of revenue which include student fees and sales from the college restaurant.

X. Environmental performance

An Environmental Management System (EMS) supports the City's commitment to ensuring sustainable asset management and operations. To support our work in environmental sustainability, we have a number of strategies and policies that have been adopted by the College, are being taken through our committee structure, or are currently being developed. These important documents sit within a wider context; our environmental sustainability policy directly relates to the College Mission and one of its core values. Additionally, the College's Strategic Framework for the Development of the Estate commits to developing the estate sustainably as one of four key performance areas, and includes a range of specific goals which either directly, or indirectly, relate to environmental sustainability.

Employee welfare

The *Occupational Safety and Health Act of 2007, (OSHA)*, AN ACT of Parliament to provide for the safety, health and welfare of workers and all persons lawfully present at workplaces, to provide for the establishment of the National Council for Occupational Safety and Health and for connected purposes. Kasarani technical and vocational college (KTVC) recognizes all its employees as the most valuable resource and that the welfare of all staff is essential in achieving the College's Vision and Mission. The Institution is committed to providing a caring and supportive working environment which is conducive to the welfare of all staff to enable them develop and optimize their full potential. However, staff welfare is a joint responsibility and members of staff are expected to contribute and participate effectively. This policy therefore gives highlights on the benefits staff will enjoy as well as their expected responsibilities.

This policy is to be read hand in hand with the KTVC Human Resource Policy, Terms of Service, the signed local Collective Bargain Agreements (CBAs) and other Kasarani Technical approved Policies. The stewardship of the College is hinged on the principles of good corporate governance and integrity, all geared towards the transparent, efficient and effective delivery of services, so as to maintain public confidence in the integrity of the institution, within the Vision and Mission of the College, and the provisions of the TVET Act, 2013.

Members of staff, being the most important resource in the College, are crucial to the College's success. In order for the College staff to work effectively, they need to have

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support from the College for their relevant professional development, good working environment and life after retirement. This based on the recognition that staff whose individual needs are met feel valued and appreciated and will be more productive in the execution of their duties.

To promote fairness in employment whenever a vacant position arises, an advertisement is placed in government agency newspaper and online platforms, in order to reach a wide audience and coverage. The advert will usually contain a caption indicating that the college is an equal opportunity employer. Women, people with disabilities and the marginalized communities are usually encouraged to apply. During the shortlisting process, the panel ensures that at least a third (1/3) of the candidates are female, and throughout the interview process, if the highest number of successful candidates are male, a consensus is reached to engage a female candidate though they may not have scored the highest but have met the minimum requirements as well the HODs have a say.

The BOG also have a take as in it as they takes part in the interviews to ensure a balanced perspective and transparency in the recruitment process. Returns are made after the interviews to the ministry of education on the recruitment of public service commission trainers and every year returns are made to the National Employment Authority (NEA) on the status of employment and these returns include those who have been hired and those who have left service.

Efforts made by the college to improve employees' skills

1. The administration carries out a training needs assessment from which we make an inventory of the training needs.
2. The college arranges for training of staff and capacity development in the skills gaps identified.
3. The ICT department through ODEL has carried out and continue to train members of staff on ICT integration in teaching.

The college also carries out an annual appraisal process, during which employees are evaluated by the HOD's and administration, in order to identify their strengths and weaknesses and give recommendations on improving the areas of weakness. The College therefore looks forward to an energized and productive work force that will propel it to international scene thus attracting more students, staff and other resources. Staff welfare shall therefore be one of my priorities now and in the future.

The college with the support of the board members is in process of developing the following policies to guide its operations:

- ❖ Schemes of service for BoG Staff
- ❖ Career progression guidelines for BoG Staff
- ❖ Motivation policy for both staff and students.
- ❖ ICT Policy
- ❖ Gender mainstreaming and Youth empowerment policy.

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- ❖ Strategic plan
- ❖ Human resource policy and manual

Market place practices-

- a) Responsible competition practice-
 - i) Anti-corruption
 - Student fees-The college levies these in accordance to the Ministry of education guidelines which cap the fees at Kshs. 56,420.00
 - The admissions process is transparent and all the faculty are open for application to any trainee who qualify.
 - ii) Fair competition and respect for competitors
 - The college derives its curriculum from KICD and CDACC to ensure what is taught at Kasarani TVC is similar to what is offered in other institutions.
 - There are clearly defined entry requirements for programs and student i.e C- for diploma, D+ for Craft Certificate and D- for Artisan. This ensures that the college has fair competition with other similar college and complement the universities whose admission requirements are C+ for degree programs.
 - The college fosters mutual beneficial relationships with our peers by benchmarking with them to offer quality services to trainees and assist one another to improve our quality of service.
 - Students are placed to the college by KUCCPS and when they seek transfer either to or from other institutions, the college ensures correspondence is made with the other institutions to ensure mutual understanding.
- (b) Responsible Supply chain and supplier relations
 - In this regards, the college promotes and ensures adequate competitions in the tendering processes. Prequalified suppliers are picked through a fair competitive process taking into consideration of the AGPO group. They are awarded contracts fairly in an open and transparent manner and once they supply their good and services, all the payment are done through the first come first paid based on the proper ageing analysis within a period of ninety days. In case of any financial constrained, they are communicated to in advance as a show of goodwill and cordial business relationship.
- (c) Responsible marketing and advertisement
Efforts to maintain ethical marketing practices.
 - ii. Open advertisement in print and electrical media of all courses offered to end sure transparency and integrity in the administration process.
 - iii. Advertisement of only the courses that are offered so as not to misinform the public.
 - iv. Issuance of up to date brochures to provide adequate time for prospective students to prepare for admission.

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(d)Product stewardship

The college has undertaken efforts to safeguard consumer rights through the following means:

- Setting up complaints mechanism where complains can be expressed and dealt with.
- There is a proactive disclosure of information through the college website, brochures, print and electrical media.
- Requests by clients' information on admissions and courses offered is done through the college email:kasaranitechnical@gmail.com, telephone number and letters all of which are active.

The Management therefore ensures that the institution dealt responsibly, openly and fairly with all our clients, partners and stakeholders as defined in our service charter by ensuring the following;

1. Adhering to ethical and equitable service provision
2. Observing the principle of Natural justice
3. Serving our clients with dignity, courtesy and respect
4. Discharging our duties professionally and with due diligence and ensuring delivery of affordable, quality education.

Corporate Social Responsibility / Community Engagements

In its corporate social responsibility. The college participated in a clean-up Exercise at Kamulu Shopping Centre. Planted over two thousand trees within the institution, Partnered with the Nairobi metropolitan services for the provision of clean drinking water for the staff and students.

It is worth to note that the trees planted were donated by the Equity Bank through, the tree planting programme. This has enabled the college to planet over three thousand trees which will provide shed for the student and water catchment going. The college has created a conducive environment for the community around for their farm products and has spired development of the region through the private partnership (PP) with the locals to provide accommodation for the growing number of students and staff. In this regards, the management has continued ensured that there is good mutual relationships between the students and the community to promote growth and sustainable developments.

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XI. 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 the *entity's* affairs.

Principal activities

The principal activities of the entity are providing world class technical and vocational training for the people of Kenya.

Results

The results of the entity for the year ended June 30 are set out on page 1-6 and the noted from 7 to 37.

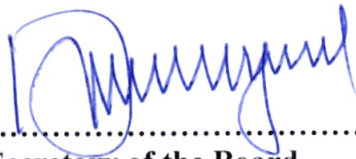
Board of Governors

The members of the Board who served during the year are shown on page xix-xxii. During the year 2020-2021 Five Board members: Mr John Kamuiru, Mr Oliver Rumiti, Ms. Marjorie Nangulu, Mr. Dennis Odhiambo and Eng. Abraham Korir retired and Five New Board members: Mr James Maina, Dr Kiyeng Chumo, Ms Doreen Nkirote, Ms Robai Shiakhutsa and Ruth Awour were appointed with effect from February 17, 2021.

Auditors

The Auditor General is responsible for the statutory audit of Kasarani 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



.....
Secretary of the Board

Nairobi

Date:

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XII. Statement of Board of Governors/ Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013*) require the council members to prepare financial statements in respect of Kasarani 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 of governors' 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 council members are also responsible for safeguarding the assets of the *College*.

The board of governors' members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the Kasarani technical and vocational 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 vocational college, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The board of governors' members accept responsibility for the Kasarani technical and vocational college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*). The board of governors' members are of the opinion that the college's financial statements give a true and fair view of the state of *college's* transactions during the

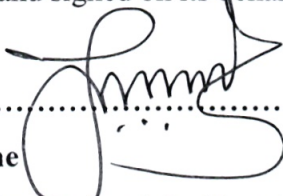
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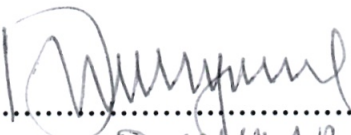
financial year ended June 30, 2022, and of the *college's* financial position as at that date. The board of governors' members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the board of governors' 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.

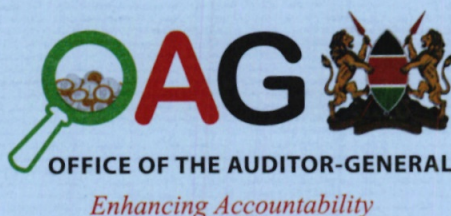
Approval of the financial statements

The College's financial statements were approved by the Board on 28th September 2022 and signed on its behalf by:


.....
Name 10/5/2022
Chairperson of the Board


.....
Name ON X/M/BO
Accounting Officer/Principal

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON KASARANI 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 Kasarani Technical and Vocational College set out on pages 1 to 41, which comprise the statement of financial

position as at 30 June, 2022 and the statement of financial performance, statement of cash flows, statement of changes in net assets, 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 Kasarani 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 Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of financial performance and as disclosed in Note 15 to the financial statements reflects repair and maintenance expenditure total amount of Kshs.943,040 while the trial balance reflects an expenditure of Kshs.492,783 resulting to an unexplained variance of Kshs.450,257. Further, the statement of financial position indicates capital fund opening balance of Kshs.17,549,200 while the statement of changes in net assets indicates opening balance of Kshs.214,198,280 as at 1 July, 2021 resulting to a variance of Kshs.196,649,080 which was not explained or reconciled.

In addition, the statement of financial performance reflects other income comparative balance of Kshs.213,250 while Note 10 to the financial statements reflects a total amount of Kshs.95,200 resulting to an unexplained variance of Kshs.118,050.

In the circumstances, the accuracy and completeness of the financial statements as presented could not be confirmed.

2. Unsupported Revenue Amount

The statement of financial performance reflects total revenue amount of Kshs.50,560,193 which includes transfers from the National Government totalling to Kshs.21,147,500 and rendering of services – fees from students amount of Kshs.29,412,693. However, the revenue was not supported with the list of students under Kenya Universities and Colleges Central Placement Service (KUCCPS) and the capitation per student, list of self-sponsored students and the amount of fee attributable to each of the students.

In the circumstances, the accuracy and completeness of the revenue amounts of Kshs.50,560,193 could not be confirmed.

3. Inaccurate and Unsupported Expenditure on Employee Costs

The statement of financial performance and Note 12 to the financial statements reflects expenditure in respect of employee costs totalling to Kshs.7,458,161. However, the corresponding ledger amount was Kshs.7,174,161 resulting to an unexplained variance of Kshs.284,000 while the payroll total expenditure was Kshs.7,189,161 resulting to an unexplained variance of Kshs.269,000. In addition, payment vouchers and evidence of recording the salary payments in the cash book were not provided for audit review. Further, review of records revealed that an expenditure of Kshs.223,000 in respect of personal emoluments recorded in the ledger and Kshs.472,500 paid to members of staff as facilitation allowances were not supported.

In the circumstances, the accuracy, authenticity and completeness of the expenditure on employee costs could not be confirmed.

4. Unsupported Expenditure

4.1 Local Transport and Travelling

The statement of financial performance and Note 11 to the financial statements reflects an expenditure on use of goods and services totalling to Kshs.27,811,307 which includes expenditure on local transport and travelling totalling to Kshs.602,320. Review of the records provided revealed that the expenditure was in respect of reimbursement of staff travel allowances. However, the payments were not supported with evidence of transaction initiation, authority, and surrender.

In the circumstances, the accuracy and propriety of expenditure on local transport and travelling could not be confirmed.

4.2 Board Expenses

The statement of financial performance and Note 13 to the financial statements reflects expenditure on Board totalling to Kshs.1,173,100. Review of the documents presented for audit revealed that the Board held six (6) full board meetings in the year under review. However, no invitations or requisitions for special Board meetings was made by the chairperson or members of the Board. Further, there were no signed attendance registers or payment schedules for all the meetings held. The acceptance letters for appointment of the Board members were also not presented for audit.

In the circumstances, the accuracy and propriety of Kshs.1,173,100 expenditure on Board expenses could not be confirmed.

5. Inaccurate Cash and Cash Equivalents Balance

The statement of financial position and Note 16 to the financial statements reflects cash and cash equivalents balance of Kshs.7,271,105. Examination of records provided revealed unexplained variances between the cashbook balances and balances as per cashbook reflected in the bank reconciliation statements as indicated below;

Month	Cashbook Balance Kshs.	Cashbook Balances as Per Bank Reconciliation Statements Kshs.	Variances Kshs.
October, 2021	5,620,139	5,607,801	12,338
November, 2021	9,761,071	8,764,128	996,943
December, 2021	9,700,678	1,813,539	7,887,138
January, 2022	8,675,540	754,758	7,920,781
February, 2022	8,524,758	465,812	8,058,945
March, 2022	8,860,677	1,555,421	7,305,255
April, 2022	6,042,857	(1,079,951)	7,122,808
May, 2022	7,849,874	630,348	7,219,526
June, 2022	13,378,834	5,712,828	7,666,007

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.7,271,105 could not be confirmed.

6. Unsupported Property, Plant and Equipment Balance

The statement of financial position and Note 19 to the financial statements reflects property, plant and equipment balance of Kshs.206,449,150. Included in this amount is land valued Kshs.126,000,000. However, the basis of this valuation was not provided. Similarly, the policy on depreciation was not disclosed under the accounting policy and the approved policy on depreciation was not provided for audit review. Further, the breakdown of the various items under the classifications of assets and the assets register were not provided.

In addition, the statement reflects property, plant and equipment comparative balance of Kshs.7,396,752 while Note 19 to the financial statements reflects a balance of Kshs.201,780,615 resulting to an unreconciled variance of Kshs.194,383,863.

In the circumstances, the accuracy of the property, plant and equipment balance of Kshs.206,449,150 could not be confirmed.

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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects an expenditure budget of Kshs.61,442,805 against actual expenditure of Kshs.36,442,568 resulting in an under expenditure of Kshs.25,000,237 which is equivalent to 41% of the total budget. No explanation was provided for the underutilization of funds. In addition, the budgeted and actual expenditure amount on repairs and maintenance and depreciation and amortization have been omitted from the statement of comparison of budget and actual amounts.

The statement further reflects a budgeted revenue of Kshs.61,442,805 and actual collection of Kshs.50,560,193 resulting in an under collection of revenue of Kshs.10,882,612 or 18% underutilization of the total budget.

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

2. Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2022. Even though Management has indicated that the issues have been resolved, evidence of how these issues were resolved have not been provided.

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. Use of Goods and Services

The statement of financial performance and Note 11 to the financial statements reflects expenditure on use of goods and services totalling to Kshs.27,811,307. Review of payment and other records revealed the following:

1.1 Irregular Procurement of Goods and Services through use of Imprest

Included in this expenditure is Kshs.3,906,922 in respect of procurement of goods and services through use of imprest. However, receipts and other supporting documentation were not provided and a memorandum cashbook was not maintained contrary to

Regulations 93(14) of the Public Finance Management (National Government) Regulations, 2015, which provides that the holder of a standing imprest shall keep a memorandum cashbook to record all receipts and payments and the balance on hand shall agree with the cash balance recorded in the cash book and in the absence of any receipts, the actual cash balances plus the expenses paid shall equal at all times the fixed level of the imprest for which the imprest holder is personally responsible.

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

1.2 Irregular Expenditure on Stationery, Printing Works, School Equipment and Stores and Other Administration Expenses

Review of procurement records revealed that Management procured stationery, printing works, school equipment and stores, and other administration expenses totalling to Kshs.5,132,681 through use of request for quotations. However, review of the documents presented for audit revealed that the quotations were sent to single suppliers who had been prequalified and not on a rotational basis, contrary to Regulations 91(5) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that an Accounting Officer shall ensure a fair and equitable rotation amongst the persons on the list under Sections 57, 71 and 106 of the Act and these Regulations.

In addition, Management did not undertake market surveys prior to the purchases and that there was no evaluation of the suppliers for competitiveness contrary to Regulation 158 which provides that procurement of goods, works and services under these Regulations shall be competitive in accordance with the provisions of Section 157(3)(b) of the Act. Evidence that the goods were delivered, inspected and taken on charge in the store was not provided.

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

1.3 Irregular Procurement of Contracted Services

Included in this expenditure is Kshs.338,700 provision of internet services, Kshs.900,000 for provision of security services and Kshs.37,920 for the provision of group personal accident cover for students. However, no tenders were issued for procurement of these services and Management, did not appoint an adhoc evaluation committee to negotiate with the service providers, failed to ensure appropriate approvals had been granted and the resulting contracts were in writing and signed by both parties contrary to Regulation 91 of the Public Procurement and Asset Disposal Regulations, 2020 on request for quotations.

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

2. Irregular and Unsupported Expenditure on Development Projects

Information provided under Management discussion and analysis Section C indicates that the Management planned and implemented eleven (11) key projects at a cost of Kshs.10,974,884 out of which seven (7) were fully completed, three (3) were at advanced stages of completion while one (1) had not commenced. However, Management did not

provide critical records including the user requisition for the proposed works to be done, evidence of advertisements for the tenders, reports prepared by the evaluation committee and evidence of payment to the suppliers for the works done, goods received, or services rendered contrary to Regulation 68(3) and (4) of the Public Procurement and Assets Disposal Regulations, 2020 which provides that the documents used by a procuring entity shall be clear and bear references to the procurement requirement, provision for dates and signatures of authorizing officers and pursuant to Section 70(4) of the Act, the Accounting Officer of a procuring entity shall prepare the tender document clearly indicating the technical and financial evaluation criteria to be applied which shall be quantifiable, measurable and objective in line with the provisions of Section 80(3) of the Act in consultation with the user department and other relevant departments.

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

3. Employee Costs

The statement of financial performance and Note 12 to the financial statements reflects expenditure in respect of employee costs totalling to Kshs.7,458,161. Review of payment records revealed the following:

3.1 Incomplete Personal Files

Review of the staff personal files presented for audit revealed gaps in the information and documents filed in contravention of the Institution's human resource manual as indicated below;

- i. The entries in the personal files were not serialized/folioed.
- ii. The staff data and the payroll did not include the bank account details of the individual staff members.
- iii. Personal files for 9 members of staff members had no letters of engagement yet they were in the payroll.
- iv. The contracts for seven staff members expired on 4 April, 2022 but they were still in the payrolls of subsequent months without renewal of the contracts.
- v. A staff member whose appointment letter was effective 1 July, 2022 had been in the payroll since March, 2022 earning Kshs.13,572 per month resulting to unsupported salary payment totalling Kshs.54,288.

3.2 Irregular Payment of Salary Advances

The Kasarani Technical and Vocational Training Human Resource Manual Section 6.6 provides that the Institution shall not offer salary advances. However, a review of the documents presented for audit revealed that four (4) members of staff who had been granted salary advances did not have the advanced amounts reflected in the following months payroll. In addition, Management did not provide records kept in regard to the management of the salary advances including list of staff with salary advances, request for the facility and proof of deductions on a regular basis from the beneficiaries 'salaries.

In the circumstances, Management was in breach of its policy.

4. Irregular Expenditure on Repairs and Maintenance

The statement of financial performance and Note 15 to the financial statements reflects expenditure on repairs and maintenance totalling to Kshs.943,040. Review of records for the goods, works and services revealed the procurement was made by way of quotations amounting to Kshs.345,390 and cash purchases amounting to Kshs.597,650. However, review of the documents revealed that the quotations were sent to single suppliers who had been prequalified contrary to Regulation 91(5) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that an Accounting Officer shall ensure a fair and equitable rotation amongst the persons on the list under Sections 57, 71 and 106 of the Act and these regulations. In addition, the entity did not carry out a market survey prior to the purchases and that there was no evaluation of the suppliers for competitiveness contrary to Regulation 158 which provides that procurement of goods, works and services under these Regulations shall be competitive in accordance with the provisions of Section 157(3)(b) of the Act. Evidence that the goods were delivered, inspected and taken on charge in the store was not provided.

Further, the cash purchases were made by way of imprests which was not surrendered, and the cash purchases were not supported by Electronic Tax Register (ETR) receipts.

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 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 overall governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements 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 control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 noncompliance. 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 Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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

09 August, 2023

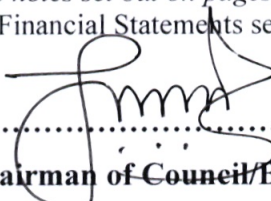
**KASARANI TECHNICAL AND VOCATIONAL COLLEGE
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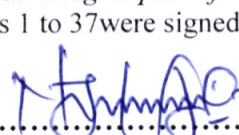
XIV. Statement of Financial Performance for the year ended 30 June 2022

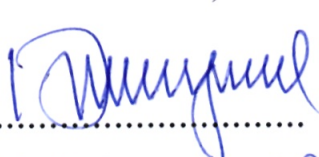
Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6 (a)	21,147,500	17,287,500.00
Grants from donors and development partners	7	-	244,074
Total Revenue from non-exchange transactions		21,147,500	17,531,574.00
Revenue from Exchange transactions			
Rendering of services- Fees from students	8	29,258,355	13,414,981
Sale of goods	9	50,518	12,190
Other income	10	103,820	213,250
Total Revenue from Exchange transactions		29,412,693	13,640,421.00
Total Revenue		50,560,193	31,171,995.00
Expenses			
Use of goods and services	11	27,811,307	11,234,411
Employee costs	12	7,458,161	3,697,010.00
Board of Governor's Expenses	13	1,173,100	1,349,308.00
Depreciation and Ammortization	14	4,306,310	536,392.00
Repairs and maintenance	15	943,040	417,505.00
Total Expenses		41,691,918	17,234,626.00
Other Gains/(Losses)			
Net Surplus for the year		8,868,275	13,937,369.00

(The notes set out on pages 7 to 37 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 37 were signed by:


.....
Chairman of Council/Board


.....
Finance Officer
ICPAK No: 29221


.....
Principal
ONYIMBO
Date 10/05/2023

Date 10/5/2023

Date 09/05/2023.

Date

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE
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XV. Statement of Financial Position as at 30th June 2022

Description	Notes	2021-2022 Kshs	2020-2021 Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	7,271,105	5,543,873.00
Current portion of receivables from exchange transactions	17(a)	9,829,683	6,858,444
Inventories	18	4,283,339	1,125,225.00
Total Current Assets		21,384,127	13,527,542.00
Non-Current Assets			
Property, plant and equipment	19	206,449,150	7,396,752.00
Intangible assets	20	92,813	158,125.00
Total Non-current Assets		206,541,963	7,554,877.00
Total Assets		<u>227,926,090</u>	21,082,419.00
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	21 (a)	4,174,346	3,533,219.00
Current provisions	22	685,189	-
Payments received in advance		4,859,535	3,533,219.00
Non-current liabilities			
Total Non-current liabilities		-	-
Total liabilities		4,859,535	3,533,219.00
Net Asset		223,066,555	17,549,200.00
Capital Fund/Donated assets		223,066,555	17,549,200.00
Total Net Assets and Liabilities		223,066,555	17,549,200.00
Total Net Assets and Liabilities		227,926,089	21,082,419.00

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

.....
Chairman of Board

Date

18/5/2023

.....
Finance Officer

ICPAK No:29221

Date

09/05/2023

.....
Principal

Date

18/05/2023

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

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.
Balance b/f at July 1, 2020			901,988		901,988
Revaluation gain	199,358,923	-	-	-	199,358,923
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	13,937,369	-	13,937,369
Capital/Development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-	-	-
Balance c/d as at June 30, 2021	199,358,923	-	14,839,357	-	214,198,280
	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.
Balance b/f as at July 1, 2021	199,358,923	-	14,839,357	-	214,198,280
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	8,868,275	-	8,868,275
Capital/ Development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
Balance c/d as at June 30, 2022	199,358,923	-	23,707,632	-	223,066,555

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE
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XVII. Statement of Cash Flows for the year ended 30 June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	21,147,500	17,287,500
Public contributions and donations	7	-	244,074
Rendering of services- fees from students	8	29,258,355	13,414,981
Sale of goods	9	50,518	12,190
Other income	10	103,820	213,250
Total Receipts		50,560,193	31,171,995
Payments			
Compensation of employees	12	7,458,161	3,697,010
Use of goods and services	11	27,811,307	11,234,411
Repairs maintenance and improvements	15	943,040	417,505
Board of Governors expenses	13	1,173,100	1,349,308
Other payments			
increase/(decrease) in payables		641,187	1,540,703
Dec in inventories	18(b)	(3,158,114)	(527,990)
(Increase)/Decrease in Receivables	17(b)	(2,971,239)	1,262,520
Total Payments		31,897,442	18,973,467
Net cash flows from operating activities		18,662,751	12,198,528
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(210,750,472)	(7,554,877)
Net cash flows used in investing activities		(210,750,472)	(7,554,877)
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Increase in Net Assets/Receivables		193,814,953	-
Net Increase/(Decrease) in Cash and Cash equivalents		- 192,087,721	4,641,885
Cash and cash equivalents at 1 July 2021	16	5,543,873	901,988
Cash and cash equivalents at 30 June 2022	16	7,271,105	5,543,873

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

.....
Chairman of Board

Date 10/5/2023

.....
Finance Officer

ICPAK No:29221

Date 09/05/2023

.....
Principal

Date 10/05/2023

KASARANI TECHNICAL AND VOCATIONAL COLLEGE
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FOR THE YEAR ENDED 30TH JUNE 2022

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

Particulars	Original Budget	Adjustments	Final Budget	Actual on comparable basis	performance difference	utilization difference	Explanation of material variances
	Jul-20		Jun-21	Cumulative to date	Variance		
	Shs		Shs	Shs	Shs		
Revenue							
Rendering of services- Fees from Students	31,442,805	-	31,442,805	29,412,693	2,030,112	6%	(a)
Transfers from other government entities-capitation grants	30,000,000	-	30,000,000	21,147,500	8,852,500	30%	(b)
Total income	61,442,805	-	61,442,805	50,560,193	10,882,612		
Expenses							
Use of Goods and Services	57,157,948	2,591,130	54,566,818	27,811,307	26,755,511	49%	(c)
BoG Meetings- Remuneration of Directors	889,001	1,400,000	2,289,001	1,173,100	1,115,901	49%	(d)
Personal Emoluments- Compensation of employees	3,395,856	1,191,130	4,586,986	7,458,161	2,871,175	-63%	(e)
Total expenditure	61,442,805	-	61,442,805	36,442,568	25,000,237		
Surplus for the period	-	-	-	14,117,625	14,117,625		

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE
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	<i>Explanation of material variance</i>
a)	Movement is due to lower student turnout that anticipated. The budgeted turnout was 800 students whereas the number that reported was 597. This was brought about by the adverse effects of the Covid-19 pandemic restricting our ability to admit students in the first two quarters of the year and affecting the recovery of fees arrears from students.
b)	The movement is a due to quarter four (Q4) capitation which was not disbursed and the trainees targeted for the budget was 800 while the college had received 597 trainees for the period under review.
c)	Movement is due to a reduction of activities that usually happen during the year as well as reduced activities during the first two quarters. Student activities such as ball games TVET fairs and other normal activities did not occur pick up as expected resulting to budget cuts
c)	Movement is due to hiring of more administrative staff and part-time trainers due to an increase in more numbers of trainees. This necessitated the college to engage more part-time/contractual trainers to take up more of those extra hours unlike the COVI-19 period.

**Kasarani Technical and Vocational College
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for the year ended 30th June 2022**

XIX. Notes to the Financial Statements

1. General Information

Kasarani Technical and Vocational College entity is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer Technical, Vocational Education and Training.

2. Statement of Compliance and Basis of Preparation

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

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

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

3. Adoption of New and Revised Standards

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

**Kasarani Technical and Vocational College
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for the year ended 30th June 2022**

Notes to the Financial Statements (Continued)

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:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</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 an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. The standard were not applicable to Kasarani Technical and Vocational College during the year under Review.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and

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Standard	Effective date and impact:
	<p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. The standard was not applicable to Kasarani Technical and Vocational College during the year under Review.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <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. The standard was not applicable to Kasarani Technical and Vocational College during the year under Review.</p>
<p>Other improvements to IPSAS</p>	<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>The standard was not applicable to Kasarani Technical and Vocational College during the year under Review.</p>

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Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st 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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The standard was not applicable to Kasarani Technical and Vocational College during the year under Review.</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>The standard was not applicable to Kasarani Technical and Vocational College during the year under Review.</p>

iii. Early adoption of standards

The 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

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4 Summary of Significant Accounting Policies (Continued)

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.

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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 Board on 28/09/2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of 12/12/2022 on the FY 2021/2022 budget following the Council/ Board's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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 xxx of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule *first of the Income tax Act* (470).

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Sales tax/ Value Added Tax

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

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

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

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.

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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.

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

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Notes to the Financial Statements (Continued)

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:

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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

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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.

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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

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

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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

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

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.

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Notes to the Financial Statements (Continued)

Significant Judgments and Sources of Estimation Uncertainty

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

5. Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 21.

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)

6. A) Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional Grants		
Capitation Grants		17287500
	20,647,500	
Operational Grant		0
	-	
Other Grants		0
	-	
	20,647,500	17,287,500
Conditional Grants		
Library Grant		-
	-	
Hostels Grant		-
	-	
Administration Block Grant		-
	-	
Laboratory Grant		-
	-	
Learning Facilities Grant		-
	-	
Other Organizational Grants		0
	500,000	
Total Government Grants and Subsidies	21,147,500	17,287,500

(a) Transfers from other Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Vocational and Technical Training		-	-	20,647,500	17,287,500
Ministry of Education	20,647,500				
	-	-	-	-	-
Total	20,647,500	-	-	20,647,500	17,287,500

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Notes to the Financial Statements (Continued)

7. Grants from Donors and Development Partners

Description	2021-2022	2020-2021
	Kshs	Kshs
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Cheshire Foundation	-	244,074
Total Grants from Development Partners	-	244,074

Reconciliations of grants from donors and development partners

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance unspent at beginning of year	75,074	75,074
Current year receipts	0	0
Conditions Met - Transferred to Revenue	0	0
Conditions Yet To Be Met - Remain Liabilities	75,074	75,074

This amount was meant to procure a computer and install the visual person but the college has no trainee at the moment. Once the college will have a trainee living of such kind it will not hesitate to utilize the funds.

8. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Fees	23,244,445	10,527,841
Activity Fees	-	-
Industrial Attachment Fees	-	-
Examination Fees	6,013,910	2,887,140
Library Fees	-	-
Facilities And Materials	-	-
Registration Fees	-	-
Others (Specify)	-	-
Total Revenue from The Rendering Of Services	29,258,355	13,414,981

Tuition fees Is the amount of money received from the parents, County bursaries, CDFs, NGO's, through donations toward the trainees fees. As it is the norm that parent pay for the trainees' examination fees, the college received Kshs. 6,013,910.00 made for the registration of student for the various KNEC sitting in the period under review.

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Notes to the Financial Statements (Continued)

9. Sale of Goods

Description	2021-2022	2020-2021
	Kshs	Kshs
Sale of Books-Log Books	36,508	1,800
Cafeteria sales	14,010	10,390
Total Revenue from Sale of Goods	50,518	12,190

This revenue is from the sale of logbook for the student who proceed to attachment. Each logbook is sold at Kshs 200. Cafeteria revenue arise from the sale of subsidies food for the hospitality department. This is done to encourage student and staff in support of the food and beverage department and promote the AIA collection

10. Other Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Application fees	98,500	75,500
Income from sale of tender	-	6,000
Other	5,320	13,700
Total other income	103,820	95,200

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Notes To The Financial Statements (Continued)

11. Use Of Goods And Services

Use of Goods and Services		
Description	2021-2022	2020-2021
	Kshs	Kshs
Marketing/Advertising	520,156	707,800
Attachment	168,000	
Bank transactional charges	12,052	
Conference, Training, Meeting	6,902,945	2,225,258
Audit fees	300,000	300,000
security	900,000	810,770
Disability Mainstreaming	77,785	165,000
Electricity	160,000	180,000
water	199,830	132,780
k nec exam fees	4,622,000	1,294,820
library	224,465	46,910
Local Transport and travelling	602,320	348,755
Branded Attire for Staff	119,650	-
meals for staff, guests	626,880	
performance contracting	1,001,059	596,027
postage	9,450	9,450
printing and stationery	1,783,854	369,005
refunds paid out	75,720	
Registration fees- KATTI, KUCCPS	787,985	349,500
School equipment and stores	5,210,390	1,715,202
Stationery	266,583	
Students- activity, student id. Others, Insurance	2,220,163	954,960
Tax	20,582	
telecommunication and internet	506,700	363,000
other Administrative Expenses	492,738	665,174
Total good and services	27,811,307	11,234,411

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Notes to the Financial Statements (Continued)

12. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	7,296,161	3,697,010
Employee related costs - contributions to pensions and medical aids	-	
Travel, motor car, accommodation, subsistence and other allowances	-	
Housing benefits and allowances		
Overtime payments	72,000	
Performance and other bonuses		
Social contributions	90,000	
Employee Costs	7,458,161	3,697,010

13. Board Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Chairman's Honoraria	-	-
Board of Governors Emoluments and Allowances	1,173,100	1,338,800
Other Allowances	-	10,508
Other Board/Council Expenses		
Total director emoluments	1,173,100	1,349,308

14. Depreciation and Amortization expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	4,275,373	536,392
Intangible assets	30,938	6,875
Investment property carried at cost	-	
Total depreciation and amortization	4,306,310	536,392

**Kasarani Technical and Vocational College
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Notes to the Financial Statements (Continued)

15. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Property	472,520	215,237
Investment property – earning rentals	-	-
Equipment and machinery	470,520	202,268
Furniture and fittings	-	-
Computers and accessories	-	-
Total Repairs and Maintenance	943,040	417,505

16. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Kasarani Tvc Operations Account	7,267,750	5,539,453
Cash	-	
Kasarani Tvc Development Account	3,355	4,420
Staff car loan/ mortgage		
Others(specify)		
Total cash and cash equivalents	7,271,105	5,543,873

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Notes To The Financial Statements (Continued)

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

Description		2021-2022	2020-2021
Financial Institution	Account number	Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1225283809	7,267,750	5,539,453
Equity Bank, etc.		-	-
Sub- Total		7,267,750	5,539,453
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
Sub- Total		-	-
c) Fixed Deposits Account			
Kenya Commercial Bank	1225283817	3,355	4,420
Bank B		-	-
Sub- Total		3,355	4,420
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
e) Others(<i>Specify</i>)			
Cash in Transit		-	-
Cash in Hand		-	-
Mobile Money account		-	-
Sub- Total		-	-
Grand Total		7,271,105	5,543,873

**Kasarani Technical and Vocational College
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Notes to the Financial Statements (Continued)

17. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions		
Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student debtors	10,514,872	6,798,444
Staff Advances	-	60,000
Less: Impairment Allowance 5%	- 685,189	
Total Current Receivables	9,829,683	6,858,444
(b) Long- term Receivables from Exchange transactions		
Non-Current Receivables		
Description	2021-2022	2020-2021
	Kshs	Kshs
Total Receivables	9,829,683	6,858,444

16 (c) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	685,189	-
Recovered during the year	-	-
Write offs during the year	- 34,259	-
At the end of the year	650,930	-

(d) Net Changes in Current Receivables from Exchange transactions

Description	2021-2022	2020-2021	NET CHANGES
	Kshs	Kshs	Kshs
Current Receivables			
Student debtors	10,514,872	6,798,444	
Staff Advances	-	60,000	
Less: Impairment Allowance 5%	- 685,189		
Total Current Receivables	9,829,683	6,858,444	2,971,239

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Notes to the Financial Statements (Continued)

18. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores		1,125,225
Maintenance stores	804,005	
Health Unit stores		
Electrical stores	2,429,700	
Cleaning Materials stores	61,696	
Catering stores	987,938	
Total Inventories at lower of Cost and Net Realizable Value	4,283,339	1,125,225

17 (b) Inventories

Description	2021-2022	2020-2021	NET CHANGES
	Kshs	Kshs	Kshs
Consumable stores	-	1,125,225	1,125,225
Maintenance stores	804,005	-	804,005
Health Unit stores	-	-	-
Electrical stores	2,429,700	-	2,429,700
Cleaning Materials stores	61,696	-	61,696
Catering stores	987,938	-	987,938
Total Inventories at lower of Cost and Net Realizable Value	4,283,339	1,125,225	3,158,114

Kasarani Technical and Vocational College
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Notes to the Financial Statements (Continued)

19. Property, Plant and Equipment

Description	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and related equipment	Other Assets CCTV	equipment firefighting equipment	equipment Tank	Plant and equipment	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Kshs	Shs
Cost		2%	25%	10%	25%	25%	15%	10%	2%		
Opening Book Net Book value 2019	126,000,000	66,642,640		1,987,585	1,209,000				3,519,698		199,358,923
At 1 July 2020				891,500	302,600	-	-	-			1,194,100
Additions		1,227,592		-		-	-	-			1,227,592
At 30th June 2021	126,000,000	67,870,232	-	2,879,085	1,511,600	-	-	-	3,519,698	-	201,780,615
Additions	-	2,854,319		2,209,141	2,320,695	290,000	92,452	88,200	991,300	-	8,846,107
At 30th June 2022	126,000,000	70,724,551	-	5,088,226	3,832,295	290,000	92,452	88,200	4,510,998	-	210,626,722
Depreciation and impairment											-
At 1 July 2020											-
Depreciation		1,357,405	-	57,582	30,232	-	-	-	70,394		1,515,612
Impairment											-
At 30 June 2021											-
Depreciation	-	1,357,405	-	57,582	30,232	-			70,394		1,515,612
At 30th June 2022		1,414,491		44,183	958,074	72,500	13,868	8,820	247,825		2,759,760
Depreciation	-	2,771,896	-	101,765	988,306	72,500	13,868	8,820	318,219		4,275,373
Net book values											-

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At 30th June 2022	126,000,000	67,952,655	-	4,986,461	2,843,989	217,500	78,584	79,380	4,192,779	97,801	206,449,150
<i>Work In Progress: Making of temporary exterior workshops</i>											-

[The Kshs. 199,358,923 is the assets given by the national government and handed over by the mentor institution which the management has sort the experts to determine their fair cost values and adopted them in this statement]

**Kasarani Technical and Vocational College
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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements on 12th January 2022.

18 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	126,000,000	-	126,000,000
Buildings	70,724,551	2,771,896	67,952,655
Plant and machinery	4,510,998	318,219	4,192,779
Motor vehicles, including motorcycles	-	-	-
Office equipment, furniture, and fittings	5,088,226	101,765	4,986,461
Computers and related equipment	3,832,295	988,306	2,843,989
CCTV	290,000	72,500	217,500
Firefighting equipment	92,452	13,868	78,584
Tank	88,200	8,820	79,380
Total	210,626,722	4,275,373	206,351,349

20. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
At beginning of the year	123,750	132,000
Additions	-	-
Cost end of the year	123,750	132,000
Amortization and impairment		
At beginning of the year	123,750	132,000
Amortization	30,938	8,250
Amortization at end of the year	92,813	123,750
Less :Impairment loss	-	-
At end of the year	92,813	123,750
NBV	92,813	123,750

The assets that were provided include the 5.6 acre of land, an administration building block, property, plant and machinery, office equipment, furniture and fittings and some two desktop computer. However the college has managed to add more as per the summarized table of property, plant and equipment above.

**Kasarani Technical and Vocational College
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Notes to the Financial Statements (Continued)

21. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	479,628	1,434,582
Fees paid in advance	3,394,718	1,198,637
Audit fees	300,000	900,000
Total trade and other payables	4,174,346	3,533,219

(b) Net change in Trade and other Payables from Exchange Transactions

Description	2021-2022	2020-2021	2021-2022
	Kshs	Kshs	Kshs
Trade payables	479,628	1,434,582	-
Fees paid in advance	3,394,718	1,198,637	2,196,081
Audit fees	300,000	900,000	-
Total trade and other payables	4,174,346	3,533,219	641,127

22. Current Provisions

Provisions from trade receivables						
	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Trade Receivables	0.00	(68,418.00)	4,782,962.00	(189,936.00)	5,990,264.80	10,514,872.80
Rate in %	0	0	0.02	0.05	0.1	
Provisions	-	-	95,659.24	9,496.80	599,026.48	685,188.92
Note:						

1. BASIS OF PROVISION FOR DOUBTFUL DEBTS

BASED ON IPSAS-19

BRACKET	30 DAYS AND BELOW	31-60 DAYS	61-120DAYS	121 -180 DAYS	181-360 DAYS	361 Days and Above
Corporates e.g. APA, CIC, Individual etc.	0%	2%	5%	10%	20%	100%
Government clients e.g. NCC, NHIF, KRA etc.	0%	2%	5%	10%	20%	100%
Corporate Capititations	0%	0%	0%	0%	10%	100%
Government Capititations	0%	0%	0%	0%	0%	0%

Description	Leave provision	Bonus provision	Bad Debtors provision	Total
	KShs	KShs	KShs	KShs
Additional Provisions for the period	-	-	95,659.24	95,659.24
Provision utilized during the period	-	-	9,496.80	-
Transfers from non -current provisions	-	-	599,026.48	599,026.48
Total provisions as at end of year/ period			685,188.92	685,188.92

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Notes to the Financial Statements (Continued)

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 360 per employee per month.

23. Financial Risk Management

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

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

(i) Credit risk

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

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

22. Financial Risk Management (Continued)

(i) Credit risk (continued)

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

The entity has significant concentration of credit risk on amounts due from ksh.685, 188.92

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

(ii) Liquidity risk management

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

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22. Financial Risk Management (Continued)

(iii) Market risk

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

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

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

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

Notes to the Financial Statements (Continued)

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

22. Financial Risk Management (Continued)

a) Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

b) Interest rate risk

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

Management of interest rate risk

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

**Kasarani Technical and Vocational College
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Notes To The Financial Statements (Continued)

(iii) **Market risk (Continued)**

b) Interest rate risk(continued)

Sensitivity analysis

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

iv)Capital Risk Management

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

24. Events After The Reporting Period

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

25. Ultimate and Holding Entity

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

26. Currency

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

Kasarani Technical and Vocational College
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XX. 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)
2.0 Accuracy of the financial statements a) Property plant and equipment	(i) Building value kshs 66,642,639.00	The management received this certificate this financial year 2021/2022 and has presented it to the board the has adopted it hence the asset in question has been captured in the financial statement under review.	Resolved	N/A
	(ii) On Land	The management has paid for the survey which has been done thus awaiting the title deed.	Not Resolved	Within FY 2023/2024
b) Inaccurate Cash flow Statement	The reported figures under increase in payables and receivables of Kshs.1, 300,047 and Kshs.1, 012,395 respectively are at variance with the calculated figures of Kshs.1, 264,226 and Kshs.1, 514,523 respectively. The resultant difference of Kshs.35,821 and Kshs. 502,128 have not been explained or adjusted	The management has noted all the error and has made all the necessary adjustment to give the true fair view of the financial statement.	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>c) Variance between Financial statement and reporting figures in Financial Statements</p>	<p>Notes 1,2 and 3 to the financial statements reflect Revenue of Kshs. 30,641,531 paid to Tertiary and secondary institutions. Examination of ledger availed for audit in support of the financial statements figure has unexplained variance of Kshs. 530,464</p>	<p>The management has noted all the errors that come as a result of partial omission from posting to the accounts those transactions that have been updated thus necessitating those adjustment on the financial statement to reflect the true and fair view of it.</p>	<p>Resolved</p>	<p>N/A</p>
<p>d) Variance between financial statement and ledger</p>	<p>Note 6 to the financial statements reflect an expenditure of Kshs. 1,349,308 relating to Board of Governor's Expenses Examination of the schedule provided for audit in support of the financial statements figure shows an amount of Kshs. 1,141,058 resulting to unexplained variance of Kshs. 208,250.</p>	<p>The management has provided the complete tabulation of the board expenses to your review and confirmation of the variance of kshs 208,250 that is the total tax amount for the board during the period. Therefore, kshs 1,141,058 is the net board allowances and kshs 208,250 is the tax totaling to gross board allowances of kshs 1,349,308</p>	<p>Resolved</p>	<p>N/a</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
e) Variance between financial statement and ledger on repairs and maintenance	Note 6 to the financial statements reflect an expenditure of Kshs.4,897,074 relating to Board of Governor's Expenses. Examination of the schedule provided for audit in support of the financial statements figure shows an amount of Kshs.4,885,974 resulting to unexplained variance of Kshs.11,100.	The management has noted all the error and has made all the necessary adjustment to give the true fair view of the financial statement.	Resolved	N/A
f) Variance between financial statement and ledger on repairs and maintenance	Note 6 to the financial statements reflect an expenditure of Kshs.4, 897,074 relating to Board of Governor's Expenses. Examination of the schedule provided for audit in support of the financial statements figure shows an amount of Kshs.4,885,974 resulting to unexplained variance of Kshs.11,100.	The management has noted all the error and has made all the necessary adjustment to give the true fair view of the financial statement.	Resolved	N/A
a) Trade and other Payables	Note 13 to the financial statements reflect Kshs.3,533,159 as Trade and Other Payables as at 30 th June 2021. Examination of the schedule provided for audit in support of the financial statements figure shows an amount of Kshs.3,53,7959 resulting to unexplained variance of Kshs.4,800	The management has noted the error and has made the necessary adjustment to give the true fair view of the financial statement.		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
a) Irregular payments towards board expenses Kshs. 1,349,308.	Note 6 of the financial statement revealed an amount of Kshs. 1,349,308 spent on board allowances for Kasarani Technical Vocational Training College. However, no board minutes and payment vouchers were availed for audit review.	Attached is the board minutes for all the meetings and appendix of the board expenditure calculated and tabulated for your review and consideration in regards of the evidence sought for this matter.		
a) Receivables from exchange transactions	The statement of financial position reflects a figure of Kshs.6,858,444 in respect to receivables from exchange transactions. However, the figure differs with the figure calculated ledger figure 6,084,328. The difference of Kshs. 714,116 needs to be reconciled.	We have noted the errors with a lot of concern and the management has made the adjustment in the financial statement accordingly to reconcile the figures.	Resolved	
a) Variance between financial statement and ledger on repairs and maintenance	Note 6 to the financial statements reflect an expenditure of Kshs.4,897,074 relating to Board of Governor's Expenses. Examination of the schedule provided for audit in support of the financial statements figure shows an amount of Kshs.4,885,974 resulting to unexplained variance of Kshs.11,100.	The management has noted all the error and has made all the necessary adjustment to give the true fair view of the financial statement.	Resolved	

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



KASARANI TECHNICAL AND VOCATIONAL COLLEGE
Mr. David Onyimbo
The Principal
Date 10/05/2023

**Kasarani Technical and Vocational College
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Appendix III- Inter-Entity Confirmation Letter

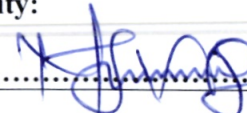
Kasarani Technical and Vocational College
Kamulu Shopping Centre, Off Kangundo Road
P.O. Box 51898-00200
Nairobi, Kenya

The Kasarani Technical and Vocational College wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Kasarani Technical and Vocational College as at 30th June 2022							
		Amounts Disbursed by Ministry of Education (Kshs) as at 30th June 2022				Amount Received by [Kasarani Technical & Vocational College] (KShs) as at 30 th June 2022 (E)	Differences (KShs) (F)=(D-E)
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	05/07/2021	755,000			755,000		
	05/11/2021	6,465,000			6,465,000		
	02/03/2022	6,465,000			6,465,000		
	23/05/2022	7,462,500			7,462,500		
Total		21,147,500			21,147,500		

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

Head of Accountants department of beneficiary Entity:

Name CPA Josiah Nyanaka Sign  Date 09/05/2023

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14/06/2022 14:00:00

