



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



THE NATIONAL ASSEMBLY	
PAPER NO. 10	
DATE: 03 MAR 2022	DAY: Thurs
TABLED BY:	LOM
CLERK-AT THE-TABLE:	C. Ndlovu

REPORT

OF

THE AUDITOR-GENERAL

ON

**UGENYA TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2020**



**MINISTRY OF EDUCATION
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL EDUCATION TRAINING
UGENYA TECHNICAL AND VOCATIONAL COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2020**

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

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

Table of Contents

Key ugenya technical & vocational college information and management	iii
Principal's management committee (PMC).....	ix
Report of the principal	xiii
Management discussion and analysis	xvii
Corporate social responsibility statement/sustainabilityreporting	xix
Report of the board of governors	xxi
Statement of board of governors responsibilities.....	xxii
Statement of financial performance for the year ended 30 June 2020.....	1
Statement of financial positionas at 30 th June, 2020.....	2
Statement of changes in net assets for the year ended 30 June 2020.....	3
Statement of cash flows as at 30 th June, 2020.....	4
Statement of comparison of budget and actual amounts as at 30 th June, 2020	5
The notes of the above statement of comparison of budget and actual amounts are givenbelow	5
Notes to the financial statements	6

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

KEY UGENYA TECHNICAL & VOCATIONAL COLLEGE INFORMATION AND MANAGEMENT

(a) Background information

Ugenya Technical and Vocational College is established under the TVET Act 2015. The college opened its doors for the first intake of students on 1st September 2018. The college is domiciled in Kenya under the Ministry of Education. In executing its core mandate, the college offers the following courses:

- Electrical Engineering
- Building and Civil Engineering
- Plumbing Technology
- Business Management
- Supply Chain Management
- Human Resource Management
- Social Work and Community Development
- Refrigeration and Air Conditioning
- Mechanical Engineering
- General Agriculture
- Agricultural Engineering

(b) Principal Activities

The principal mandate of Ugenya Technical and Vocational College is to offer Technical and Vocational Training.

(c) Management

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

- Board of Governors.
- Accounting officer/ Principal
- Principal Management Committee(PMC)

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Dr. John O. Abuto,PhD.
2.	D/Principal	Henry Odhiambo Abetter
3	Head of Finance	Simon Njoga
3.	Head of Procurement	Bethsheba Oyuga

f) College main Campus

P.O. Box 74 -40614
Along Kisumu- Busia Highway
Sega, Kenya

g) College Contacts

Telephone :(254)765840772
E-mail: ugenya.techcollege@gmail.com

h) College's Bankers

Kenya Commercial Bank
P.O. Box
Siaya, Kenya

i) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi,Kenya

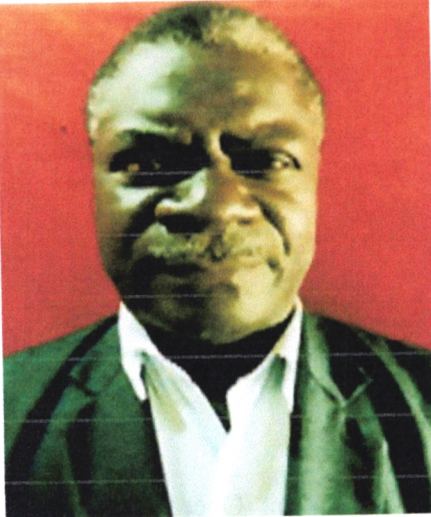

j) Principal Legal Adviser

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




UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020
THE BOARD OF GOVERNORS

BOG's passport-size photo and name.	Description of each BOG's date of birth, key qualifications and work experience.
 <p>1. Dr. Satwinder Singh Rupra, PhD BOG Chairperson</p>	<p>D.O.B 4th August, 1985</p> <p>Qualifications:</p> <p>PhD: Cyber Security Msc: Information Technology</p> <p>Work Experience:</p> <p>Director and Chief Technical Officer, Sumo Computers – 2008 to Date Director and Chief Executive Officer, Selectric Limited – 2016 to Date Part-time Lecturer -2015 to May 2017 Broadband Internet technologies-3 years IP PBX Setup and Management-2 years Joomla Website Design and Management-1 year IP and Analogue Surveillance Systems (CCTV)- 1 year Mikrotik Routers Setup and Configuration-2 years Fiber Optics and Copper Installations-5 years</p>
 <p>2. Dr. John Obiero Abuto, PhD. Principal/BOG Secretary</p>	<p>DOB : 16th September, 1967</p> <p>Qualifications:</p> <p>PhD: Management majoring in Operations Management /Operations Research- 2013-2017 MBA: Production and Operations Management. 2010- 2012 Bed. Technology (Mechanical Engineering Technology)- 1999- 2002 Diploma Technology Education. (Mechanical Engineering Production)- 1992- 1993 Technician Course Level I & II (Mechanical Engineering Production)- 1989- 1991 Certificate in Foundry Technology and Management-1988- 1988</p> <p>Work Experience:</p> <p>Principal Ugenya Technical and Vocational College- Dec 2017 – To date Head of Department Mechanical Engineering –The Kisumu National Polytechnic-2002- Dec 2017</p>

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

	<p>Deputy Head of Department Mechanical Engineering-1996- 2002 Lecturer Mechanical Engineering-1994- 1996 Maintenance Technician (Machine Fitter)- 1991- 1992 Turner Machine fitter- 1989-1991 Welder fitter general: Premier Refrigeration and Air conditioning Limited.- 1989- 1989 Degree & Master Degree Part time Lecturer 2013 – 2017 Diploma & Higher Diploma level 1994 - 2017</p>
 <p>3. Francis Ochieng BOG Member</p>	<p>DOB: 05th May 1957</p> <p><u>Qualifications:</u> Master of Education in Educational Administration-2000-2007 B.E.D (Science)-1981-1985 Diploma in Education(Science) -1979-1981</p> <p><u>Work Experience</u> Part-Time Lecturer, Kenyatta University - 2012 to Date:</p> <p>Assistant Director Quality Assurance and Standards-2013-2017. Assistant Director Quality Assurance and Standards - 2008-2013 District Education Officer Kuria East - 2003-2007 District Education Officer - Bunyala. Deputy D.E.O Ministry of Education 1985-1999 Assistant Lecturer in Science -1981 Teacher of Chemistry and Biology - 1979</p>
 <p>4. William O. Mola</p>	<p><u>DOB:</u> 23rd May, 1957</p> <p><u>Qualifications:</u> Bed. Arts -2007 PICourse- Adult Literacy – 1981</p> <p><u>Work Experience</u> C.S.O. - 2013 - 2017 A.E.O. - 2010 -2012 Tactutor - 1996 – 2012 Head teacher: 1995</p>

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

<p>BOG member</p>	<p>Deputy Head Teacher: 1990 – 1994 Teacher:1981 – 1994</p>
 <p>5. Nancy Rubi Samwel BOG member</p>	<p>DOB: 13th August, 1991</p> <p>Qualifications: Bachelor of Science in Nursing Community Health Nursing</p> <p>Work Experience Kenya Journal of Midwifery and Nursing(Application of cultural competence and its provision of health care) - 2016 Annual Baraton international interdisciplinary Research conference - 2017</p>
 <p>6. Phylis Kaptuya Boronjo BOG member</p>	<p>DOB: 1989</p> <p>Qualifications: Bachelor of Technology in Civil and Structural Engineering - 2013</p> <p>Work Experience: Water Engineer(Living Water Service Centre, Kisumu field office) 2013 to Date</p>
 <p>7. Anthony Clement Odhiambo BOG member</p>	<p>DOB: 6th April 1982</p> <p>Qualifications: Bachelor of Commerce Finance Option.</p> <p>Work Experience: Fixed Asset Accountant with Safaricom Ltd Treasury Accountant with Safaricom Ltd Principal manager supply chain business with Safaricom to Date</p>

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020



8. Walumbe Gift Eunice
 BOG member

DOB: 1977

Qualifications:

Masters in Public Health.

Work Experience:

Manager of several projects supervised by the global fund.
 Deputy Research Manager –USAID – AMPATH- to Date.



CPA Jacktone Ouma Odinga
 BOG member

DOB: 1st Mach, 1975

Qualifications:

Bachelor of Business Administration Accounting Option

Work Experience:

2019 – Date: Director planning and budgeting – siaya county Government.

2013 – 2017 : Chairperson – Budget and Appropriation committee (county Assembly of Siaya)

2013 – 2017 : A member of County Assembly of siaya

2009 – 2012 : Treasurer Muhoroni Town council



2008 – 2009 : Siaya County Council

2006 – 2008 : Internal Auditor II – siaya county council

1998 – 2006 : Audit clerk II – Siaya county council

**UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020**

PRINCIPAL'S MANAGEMENT COMMITTEE (PMC)

<p>PMC passport-size photo, name, and key Professional/Academic qualifications</p>	<p>Responsibility</p>
 <p>Dr. John Obiero Abuto, PhD. Principal/BOG Secretary PhD: Management majoring in Operations Management /Operations Research</p>	<p>Chief Executive Officer/Principal General management of the college</p>
 <p>Henry Odhiambo Abetter Bsc Electrical And Electronic Engineering The Deputy principal</p>	<p>The principal assistant to the Principal and coordinates all aspects of trainings.</p>

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

 <p>Simon Njoga Accountant CPA SEC.III</p>	<p>In charge of preparation of financial statements.</p>
 <p>Bethsheba Oyuga Supply Chain Officer Diploma in Supply Chain</p>	<p>In charge of procurement</p>

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

CHAIRMAN'S STATEMENT

The Board of Governors were appointed by the Cabinet Secretary ministry of Education in line with the TVET act 2015 in January 2019. The Board of Governors comprises of ten members including the Principal and the County Director TVET, who is the representative of the Permanent Secretary in the board. The main function of the board is to supervise the management activities of the college. The board oversees the management of the college to ensure proper financial stewardship and that the institution does its mandate as required by the government of Kenya through the Cabinet Secretary Ministry of Education

During the financial year 2019/2020, the college had a staff composition of 34 Trainers of which 16 of them were Public Service Commission Employees and 18 Board of Governors Employees. In addition to the Trainers, the Board also engaged 9 support staffs for efficient service provision to our clients. The Public Service Trainers were recruited during the Financial Year 2019/2020 with the exemption of the principal who was posted in 2017 and the Deputy Principal who later joined us in 2019.

The student population as at end of the 2018/2019 F/Y stood at 153(one hundred and fifty three) while as at the close of the 2019/2020 F/Y the student population stood at 594(five hundred and ninety four). This was achieved as a result of our laid down various strategies to ensure that we enroll a big number of students. For continuity, we have committed ourselves to a student population of one thousand five hundred by end of the 2020/2021 F/Y.


The major challenge that the institution faced was lack of funds. This was due to the fact that we only received kshs.225,000.00 (Two Hundred and Twenty Five Thousand Shillings) as capitation for 1st and 2nd Quarter for 15 students out of the 594 students. Based on our population, we were supposed to have received a total of kshs.17,820,000.00 as capitation. This has so far not been received even after several follow ups. Apart from capitation, the college had also projected an operational grant of kshs.12,000,000.00 (twelve million) but by the close of the Financial Year, the college had only received kshs.1,000,000.00(one million). The college was therefore left with one option to rely wholly on fees payment by parents and sponsors that was never effective. This negative effect forced the board to only finance the mandatory core training activities since the college could not meet its budget obligations. The Board has therefore appealed to the parents, sponsors and government agencies to release funds in good time to help the college provide; better and timely service.

We are also pleased to report that the college signed its first performance contract with the Government of Kenya during the 2019/2020 F/Y. This has also proved to be very effective in our day to day management of resources for the college.

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

It is also important to note that the college is fully prepared to comply and cope with the effects of covid – 19 pandemic for the proposed phased re-opening of learning institutions.

The college managed to offer extension services to the community using the tractors that were provided by the ministry of Education and therefore to a little extent we are trying to achieve corporate social responsibility.

Sign  _____

Date 20/04/21 _____

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

REPORT OF THE PRINCIPAL

I am pleased to report that our institution made its first student admission in September 2018. Since then, the college has made various tremendous steps towards accomplishing its mission, vision and objectives.

The operations of the college are under the supervision of the Board of Governors on behalf of the cabinet secretary. The board oversees the management of the college to ensure proper financial stewardship and that the institution achieves its core mandate as required by the government of Kenya through the Cabinet Secretary Ministry of Education.

During the financial year 2019/2020, the college had a staff composition of 34 Trainers of which 16 of them were Public Service Commission Employees and 18 Board of Governors Employees. In addition to the Trainers, the Board also engaged 9 support staffs for efficient service provision to our clients. The Public Service Trainers were recruited during the Financial Year 2019/2020 with the exemption of the principal who was posted in 2017 and the Deputy Principal who later joined us in 2019.

The student population as at the end of the 2019/2020 F/Y stood at 594 (five hundred and ninety four) while at the close of the 2018/2019 F/Y the student population was 153 (one hundred and fifty three). This was achieved as a result of our laid down strategies to ensure that we enroll a big number of students. We have also committed ourselves to a student population of one thousand five hundred by end of the 2020/2021 F/Y. The college enrolled a total of 43 candidates for the July 2019 National examination series. Out of this population, 31 candidates were technical students while 12 were business courses students. Even though this was our first enrolment in various disciplines for the National Examinations, our students did exemplary well with 100% pass. This great performance was again witnessed in November 2019 National Examinations that attracted a total of 23 students.

The college received training equipment from the ministry of Education. With these equipment, we intend to facilitate Competency Based Education Training (CBET), so as to conform to global skills requirement. We rely majorly on the trainers engaged on board of governor's terms because of the large number of students with few Public Service Commission Trainers.

On the infrastructure, our college irrespective of lack of resources managed to fabricate Library Shelves, Chairs and Tables, Staffroom Chairs and Students Lectures chairs. To help setup necessary offices, we procured Desktop Computers and office cabinets for various offices. The window and corridor grills were installed to enhance security of the college resources. The sub-massive water pump acquired during the Year assisted in constant supply of water for the college use that is tentatively a requirement of the covid-19 proposed phased learning resumption protocols.

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

The major challenge that the institution faced was lack of funds. This was due to the fact that we only received kshs.225,000.00 (Two Hundred and Twenty Five Thousand Shillings) as capitation for 1st and 2nd Quarter for 15 students out of the 594 students. Based on our student population, we were to receive a total of kshs.17,820,000.00 as capitation for the Financial Year. This has so far not been received even after several follow ups through correspondences. Apart from capitation, the college had also projected an operational grant of kshs.12,000,000.00 (twelve million) but by the close of the Financial Year, the college had only received kshs.1,000,000.00(one million). The college was therefore left with one option to rely wholly on fees payment by parents and sponsors that was never effective. This negative effect forced the management to only finance the mandatory core training activities since the college could not meet its budget obligations. The Board has therefore appealed to the parents, sponsors and government agencies to release funds in good time to help the college provide; better and timely services. It's worth noting that we received kshs.4,200,000.00 (Four Million Two Hundred Thousand only) from the National Government – Constituency Development Fund Ugenya that was meant for the students National Examinations registration.

Based on the above financial constraints, the college was not able to comply with the requirements of the State Department for Vocational and Technical Training to employ Finance Officer, Internal Auditor, and Human Resource Officer including other departmental staffs as was in the Annual Budget of the College for the college could not raise enough money to help sustain the staff payroll.

The college signed its first performance contract with the Government of Kenya during the 2019/2020 F/Y. This has proved to be very effective management tool in our day to day management of resources for the fulfillment of our college mission and vision.

Being a Centre of excellence in Agriculture and Agricultural Engineering, the college has laid down strategies to ensure that the community around the college also benefit from the agricultural activities and initiatives offered. During the 2019/2020 F/Y, the college managed to offer extension services to the community using the tractors that were provided by the ministry of Education and therefore to a little extent we have achieved corporate social responsibility. This has enable d the community around to comparatively improve on their farm produce.

It is also important to record that our college is fully prepared and ready to comply and cope with the effects of covid – 19 pandemic as per the World Health Organization for the proposed phased re-opening of learning institutions.

Sign _____



Date _____

20/4/21

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

CORPORATE GOVERNANCE STATEMENT

The College Board of Governors is constituted of ten members including the Principal who is the BoG Secretary and the County Director Technical and Vocational Education Training. The Board was formed on 5th October 2018 following the appointment done by the Ministry of Education, Office of the Cabinet secretary then followed by Inauguration that was conducted on 23rd January 2019 and Induction of the Board of Governors done between 22nd -26th April 2019.

The first meeting was held on 23rd January 2019 for the Inauguration of the Board Members. The following were outlined by the Principal and the Session County Director TVET as the functions /responsibilities of the Board of Governors in shaping the path that would be followed in implementing the big 4 agenda for TVET (Access, Equity, Quality and Relevance)

Duties & Responsibilities:-

- a) Provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development.
- b) Overseeing the conduct of training.
- c) Promoting and maintaining reforms in curriculum.
- d) Administration.
- e) Mobilizing resources which was posed to the board chair to help the institution apart from relying on the government i.e
 - i) Regulating student intake.
 - ii) Approving collaboration with other institutions and donors.
 - iii) Approving production activities for the institution.
 - iv) Developing and implementing credible Strategic Plan and Performance Contract that will deliver the desired goals.
 - v) Oversee new projects
- f) Determining suitable terms for staff remuneration
- g) Regulating staff.
- h) Discharging other roles as may be assigned by the MOE.

Duties & Responsibilities- BoG Chairperson

- a) Be available to provide leadership for institution
- b) Maintain good but independent relationship
- c) Focus on institutional interest at all times
- d) Use objective criteria to make decisions
- e) Harness the collection of the team
- f) Guide in decision making process.
- g) Act as link between the cabinet secretary and other board members

In the 2019/2020 F/Y Ugenya Technical and Vocational College held two Board meetings. The first meeting took place on 23rd August 2019 and was attended by Eight Board members .The second meeting was held on 20th January 2020 and was attended by nine members of the board.

The following were tabled for discussion and agreed upon as activities towards improving the standard of the institution:-

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

1.1 Increase in Enrolment

The Board plans to adjust the enrolment population by undertaking the following:

- i) Mount CBET courses by rolling out 3 new courses-General Agriculture, Agricultural Engineering and ICT.
- ii) Carrying out community outreach programmes.
- iii) Sensitizing trainees and the community on HELB Loans and bursaries through memos, advertising courses in the mass and social media every term.

1.2 Increase the number of students in Science, Engineering and Technology

The Board plans to increase enrolment in SET courses by increasing enrolment in Technical courses by sensitizing Female students on the advantages of Technical courses since most of them view them as courses only related to Men.

1.3 Increase Trainee Academic Performance

Board plans to increase the trainee performance achievement index by undertaking the following:

- i. Procure Library books and reference material for trainees.
- ii. Install internet connectivity to help students in research and learning
- iii. Procure additional assorted equipment for the Engineering trades
- iv. Undertake trainee evaluation through termly continuous assessment tests.

1.4 The plans to complete its planned projects is as follows:-

- i) Construction of a make-shift kitchen
- ii) Procure library chairs and shelves for trainers and also procure learning materials for library
- iii) Fasten the security of the institution by fencing the compound

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

MANAGEMENT DISCUSSION AND ANALYSIS

The college commenced its operations by admitting the first cohort of students in September- November Term 2018. As at end of the 2018/2019 F/Y the college had managed to register a total of one hundred and fifty three students while by the close of the 2019/2020 F/Y the college had registered a total of 594 (Five Hundred and Ninety Four) students. Of these students, only 3 (Three) students did not qualify for the capitation funding by the government of Kenya having not met the minimum requirement. The 591 students who qualified and managed to register with Kenya Universities and Colleges Central Placement Services did also not receive the funding even after having met all the requirements. The college was supposed to get a total of kshs.17,820,000.00 for 594 students at kshs.30,000.00 per student as capitation fees from the Kenya Universities and Colleges Central Placement Services but instead received kshs.225,000.00 for 15 students for 1st and 2nd quarter of 2019/2020 leaving kshs.17,595,000.00 in arrears. Because of the economic status of the community around the college, there has been poor fees payment trend by the students forcing them to rely majorly on the HELB to help bridge the fees of Kshs.26,420.00. The budget projection for the 2019/2020 F/Y was Kshs.48,385,650.00 while the actual collection was Kshs.13,059,040.00. This was caused by reduction in grant from kshs.12,000,000.00 to kshs.1,000,000.00, the students fees arrears not yet received by end of June 2020 and the training period lost during the covid-19 pandemic. This posed a major challenge to the college forcing the management to only consider core training activities and to shelve other development areas in execution of the budget.

On the infrastructure, our college irrespective of lack of resources managed to fabricate Library Shelves, Chairs and Tables, Staffroom Chairs and Students Lectures chairs. To help setup necessary offices, we procured Desktop Computers and office cabinets for various offices. The window and corridor grills were installed to enhance security of the college resources. The sub-massive water pump acquired during the Year assisted in constant supply of water for the college use that is tentatively a requirement of the covid-19 proposed phased learning resumption protocols.

In compliance with the statutory requirements, the college has fully complied in submitting the monthly pay as you earn, national social security fund, national hospital insurance fund including annual regulatory requirements.

The college had challenge of trainers but that is currently being addressed by the ministry of Education and Public Service Commission. If the problem of trainers is addressed fully, we shall reduce the cost of hiring BOG trainers. This money would be ploughed to other areas that need improvement like college library which is yet to be operationalized. The other major concern is on the Lecture rooms. The college is currently

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

with 10 lecture rooms against 30 courses currently offered by the college. This is a challenge that require an urgent address for continuity.

We have also put in place an elaborate procurement plan for the financial year 2020/2021. This will regularize our spending and improve on the institutions financial stewardship.

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

It's worth noting that the institution managed to achieve various corporate social responsibilities as follows;

Ploughing services – the college offered ploughing services to the surrounding community enabling them to increase their farming scale at low cost leading to availability of food stuffs within the area.

Water – Due to water shortage in the area, the college allowed the surrounding households to draw water from its well as at when they required.

Environmental performance – the college managed to plant three hundred (300) trees within the college to restore the indigenous trees brought down during the construction of the college building. This was also intended to act as wind breakers and also to reduce soil erosion. The trees also acted as water catchment for the community as the college is situated in a steep slope.

Waste management - The College collects all the waste in a compost pit where the waste is managed to farm yard manure which is used in the farm for Agricultural purposes. Our college also trains the community on the modern agricultural practices to help them realize good harvest which in turn improves the food security.

Employee welfare – The appraisal of the staffs was done and submitted to the Directorate accordingly. The college also facilitated various staff to attend various trainings which helped in improving their skills and hence efficiency in the service delivery.

Compliance with the statutory requirements – the college applied and conducted transparent, accountable and very professional interviews for the staff engaged during the financial year 2019/2020 where all the applicants were given equal opportunities to defend themselves and compete fairly for the advertised vacancies.

Supplier relationship - This is well maintained by keeping good communication channel between the institution and the suppliers. All the contracts are honored accordingly by both the institution and the suppliers based on the approved contracts and the specifications given to the suppliers. Consequently, the college pays its suppliers promptly after the delivery of the goods/ services. It's also important to note that the evaluation of the tender documents is done with transparency, integrity, professionalism and accountability and hence giving room for effective completion resulting in awarding the lowest evaluated bidder and hence the achievement of quality goods and supplies at fair prices.

Marketing and advertisement - the college applied different marketing strategies in the 2019/2020 F/Y. Among the methods was publishing of the advertisement highlighting all the courses offered at the college in the Education Newspaper, conducting outreach program to the nearby market Centre's, visiting secondary schools within the country and engaging the heads of those schools to help inform the students who lack the information about the technical colleges training opportunities for all form four leavers. As a result of the marketing strategies, the college realized an increase in the enrolment of students from 153 (one hundred and fifty three) in the 2018/2019 F/Y to 594 (five hundred and fifty four) students in the 2019/2020 F/Y.

Sports and recreation activities - The College also provided an opportunity for the students and even the surrounding community to participate in various sporting activities by facilitating them with the relevant equipment and materials. This enabled a number of people develop and practice their talents freely.

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

During the 2019/2020 financial year, Ugenya Technical and Vocational College engaged different officers from public health offices to offer health talks to the general community. This enabled them develop self-esteem and positivity towards health matters.

The college engaged the locals from the surrounding community in various casual works as need arose and this impacted positively on the community.

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

REPORT OF THE BOARD OF GOVERNORS

The Board members submitted their report together with the audited financial statements for the year ended June 30, June 2020 which show the state of the college's affairs.

Principal activities

The principal activity of the college is training and research.

Results

The college enrolled a total of 43 candidates for the July 2019 National examination series. Out of this population, 31 candidates were technical students while 12 were business courses students. Even though this was our first enrolment in various disciplines for the National Examinations, our students did exemplary well with 100% pass. This great performance was again witnessed in November 2019 National Examinations that attracted a total of 23 students.

BOARD OF GOVERNORS

The Board was appointed by the Cabinet Secretary during the year 2018/2019 and is to serve for three years. The following is the list of all the Board Members who served during the year 2019/2020F/Y;

1. Dr. Satwinder Singh Rupra, PhD - Chairperson
2. Dr. John Obiero Abuto - Secretary
3. Joseph Sunguti - County Director TVET
4. Francis Onyango Ochieng - Member
5. William O. Mola - Member
6. Nancy Ruby Samuel - Member
7. Phyllis Kaptuya Boronjo - Member
8. Walumbe Gift Eunice - Member
9. Anthony C. Odhiambo - Member
10. Jacktone Odinga - Member

AUDITORS

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

By Order of the Board

Corporate Secretary

Nairobi

Date:.....

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of Ugenya 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 period and the operating results of the College for that period. The Board members are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board members are also responsible for safeguarding the assets of the College.

The Board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial period ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013. The Board 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 financial year ended June 30, 2020, and of the college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The College's financial statements were approved by the Board on 28/09/2020 and signed on its behalf by:

PRINCIPAL/BOG SEC

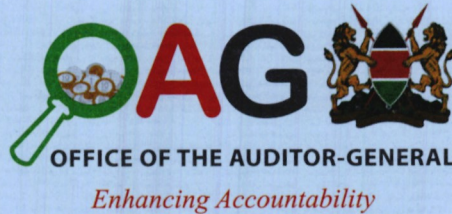


CHAIRMAN

BOG MEMBER

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 UGENYA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ugenya Technical and Vocational College set out on pages 1 to 17, which comprise the statement of financial position as at 30 June, 2020, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Ugenya Technical and Vocational College as at 30 June, 2020, 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 Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Inaccurate Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.53,442,738. The college received five (5) tractors from the Ministry of Education (Parent Ministry). However, the cost of the tractors is excluded in the financial statements and the ownership documents were not provided for audit. Physical verification of the tractors indicates that the same had no blue number plates and the tractors are not included in the fixed assets register.

Further, depreciation charge for the year was totalling Kshs.1,409,413 for various classes of assets. However, the rates used were not supported and it was not clear how the amounts have been arrived at as the financial statements have not reflected the various rates of depreciation for each category or class of assets.

Consequently, the accuracy, completeness and validity of property, plant and equipment balance of Kshs.53,442,738 could not be confirmed.

2. Inaccurate Statement of Changes in Net Assets

The statement of changes in net assets did not reflect the comparative amounts for the year ended 30 June, 2019. Further, the statement reflects total net assets of Kshs.62,992,313 instead of correctly casted balance of Kshs.62,988,313 resulting to unexplained difference of Kshs.4,000.

In addition, the statement of changes in net assets reflects total net assets amounting to Kshs.62,992,313. However, the statement of financial position reflects total net assets amounting to Kshs.64,205,159 resulting to unreconciled variance of Kshs.1,212,846.

Consequently, the accuracy and completeness of statement of change in net assets balance of Kshs.62,992,313 could not be confirmed.

3. Inaccurate Statement of Cash Flows

The statement of cash flows reflects changes in inventory, receivables, payables and payables prepaid amounting to negative Kshs.475,672, negative Kshs.8,416,130, Kshs.540,296 and Kshs.958,670, respectively resulting to net changes in working capital amounting to negative Kshs.7,396,836. However, the statement of financial position reflects changes in inventory, receivables, payables and payables prepaid amounting to negative Kshs.277,642, negative Kshs.7,848,750, negative Kshs.566,503 and Kshs.224,722, respectively resulting to net changes in working capital of negative Kshs.8,468,173. The resultant variance of Kshs.1,071,337 has not been explained.

Further, the statement of cash flows is indicated as at 30 June, 2020 instead of, for the year ended 30 June, 2020 and it has not been prepared in accordance with prescribed format by public sector accounting standards board.

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

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis totalling to Kshs.48,385,650 and

Kshs.24,182,600 respectively, resulting to an underfunding amounting to Kshs.24,203,050 or 50% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.48,385,650 and Kshs.15,245,380 respectively, resulting to an underperformance amounting to Kshs.33,140,270 or 68% of the budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on the College's performance.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Functional Audit Committee

The Board constituted Finance and Audit Committee on 23 August, 2019 although there is no internal audit department unit and an internal auditor. However, during the

year under review, the audit committee was dormant contrary to chapter 1(1.7) of Mwongozo Act, 2015 on Committees of the Board which states that, the board shall establish an audit committee and a maximum of three other committees to discharge governance, technical matters, risk, strategy, compliance, finance and human resources functions.

Consequently, the College is in breach of the Law.

2. Failure to Develop Staff Establishment

The College recruited six (6) staff during the financial year under review. However, the Institute does not have an approved staff establishment therefore it is not clear how the vacancies were identified. This is contrary to section 57 of Public Service Commission Act, 2017 which states that the commission shall discharge its duty under this section by monitoring and evaluating on a public body staffing needs including establishment and terms and condition of service.

Consequently, the College is in breach of the Law.

3. Lack of Approved Policy Documents

During the year under review, it was observed that the College did not have an approved Human Resource Manual, Financial Management Procedures Manual, Risk Management Policy, Disaster Recovery Plan and ICT Policy. This is contrary to Section 7(1)(a) of Public Audit Act 2015 which states that the Auditor-General shall give assurance on the effectiveness of internal controls, risk management and overall governance at national government.

Consequently, lack of formally documented policies could lead to unclear direction on the management and operation in place and their related controls.

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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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.

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

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

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

Those charged with governance are responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how the College 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with College's policies and procedures may deteriorate.

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 February, 2022

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

Details		2019/2020	2018/2019
	Note	Amount (KShs)	Amount (KShs)
Revenue from non-exchange transactions			
Operational Grant	1	1,000,000.00	500,000.00
Revenue from exchange transactions			
Rendering of Services - Fees from Students	2	20,203,820.00	5,027,320.00
Other Incomes - Production Unit& KNEC Examination	3	2,978,780.00	632,870.00
Total revenue		24,182,600.00	6,160,190.00
Expenses			
Use of goods and services	4	8,734,252.00	3,651,957.00
Employee Costs	5	3,371,384.00	1,523,630.00
Board Of Governors costs	6	136,000.00	764,000.00
Repair Maintenance and Improvements	7	1,234,331.00	841,661.00
Contracted services	8	360,000.00	180,000.00
Depreciation charge	13	1,409,413.00	1,524,364.00
Total expenses		15,245,380.00	8,485,612.00
Surplus for the period		8,937,220.00	(2,325,422.00)

The notes set out on pages 6 to 17 form an integral part of the Annual Financial Statements.


UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

Details		2019/2020	2018/2019
Assets	Note	Amount (Kshs)	Amount (Kshs)
Current assets			
Cash and cash equivalents	9	3,521,177.00	425,871.00
Receivables from exchange transactions	11	8,518,060.00	669,310.00
Inventories	12	475,672.00	198,030.00
Total Current Assets		12,514,909.00	1,293,211.00
Non-Current Assets			
Property, Plant & Equipment	03	53,442,738.00	53,635,305.00
Total Assets		65,957,647.00	54,928,516.00
Liabilities			
Current liabilities			
Trade and Other Payables from Exchange Transactions	14	540,296.00	1,106,799.00
Payments Received in Advance	15	1,212,192.00	987,470.00
Revenue Reserve		7,828,644.00	(2,325,422.00)
Capital Reserve Fund	13	56,376,515.00	55,159,669.00
Total Equity		65,957,647.00	54,928,516.00

The Financial Statements set out on pages 1 to 5 were signed on behalf of the College Board of Governors by:


Finance Officer
 FINANCE OFFICE
 Date: 28/4/2021


Principal
 Date: 20/4/21



Chairman of Board of Governors
 Date: 20/04/21

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

Details	Capital Reserve	Revenue Reserve	Total
	Kshs	Kshs	Kshs
Balance 1st July 2019	-	(2,325,422.00)	(2,325,422.00)
Surplus for the year	-	8,937,220.00	8,937,220.00
Capital Reserve Fund	55,159,669.00	1,216,846.00	56,376,515.00
Total	55,159,669.00	7,828,644.00	62,992,313.00

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF CASH FLOWS AS AT 30TH JUNE, 2020

	Notes	2019/2020	2018/2019
Cash flows from operating activities			
Surplus/(deficit) for the year		8,937,220.00	(2,325,422.00)
Add back : Depreciation and Amortization	13	1,409,413.00	1,524,364.00
Add back: Fees Arrears 2018/2019 Received		567,380.00	-
Operating cash before working capital changes		10,914,013.00	(801,058.00)
(Increase)/Decrease in Inventory		(475,672.00)	(198,030.00)
(Increase)/Decrease in Receivables	18&19	(8,416,130.00)	(669,310.00)
Increase /(Decrease) in Payables	24-28	540,296.00	1,106,799.00
Increase /(Decrease) in Payables(Prepaid)		958,670.00	987470.00
Net changes in working capital		(7,396,836.00)	1,226,929.00
Net Cash flow from operating activities		3,521,177.00	425,871.00

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS AS AT 30TH JUNE, 2020

Details	Final budget	Actual on comparable basis	Performance difference	Variance (%)
	KShs	KShs	KShs	
Revenue				
Government Operational Grants	12,000,000.00	1,000,000.00	(11,000,000.00)	91.67%
Rendering of Services-Fees from Students	30,800,900.00	20,203,820.00	(10,597,080.00)	34.4%
Other Incomes - Production Unit	5,584,750.00	2,978,780.00	(2,605,970.00)	46.67%
Total Income	48,385,650.00	24,182,600.00	(24,203,050.00)	50.00%
Expenses				
Use of Goods and Services	38,551,006.00	8,734,252.00	29,816,754.00	77.34%
Employee costs	5,286,144.00	3,371,384.00	1,914,760.00	36.22%
Board Of Governor Costs	1,148,000.00	136,000.00	1,012,000.00	88.15%
Repair, Maintenance & Improvements	3,040,500.00	1,234,331.00	1,806,169.00	59.4%
Contracted services	360,000.00	360,000.00	0	0%
Depreciation on PPE	0	1,409,413.00	1,409,413.00	0
Total expenditure	48,385,650.00	15,245,380.00	35,959,096.00	74.32%
Deficit for the period	-	8,937,220.00	(11,756,046.00)	

The notes of the above statement of comparison of budget and actual amounts are given below;

1. The college received the operational grant of kshs.1,000,000.00 for quarter i & ii disbursements in quarter. The money received was used to support the daily operations of the college in accordance with the budget provisions. The variation has been caused by reduction in government funding of colleges operation grants caused by introduction of capitation fees.
2. There is a variation in the projected revenue and the actual revenue received during the year because of the outbreak of covid-19 pandemic in March 2020. This led to loss of revenue for the period may-June months.
3. The college did envisage the possibility of having heavy rain fall during the first season of the year hence the reduced returns from ploughing services.
4. The deviation realised in the employee costs was as a result of lack of funds for the institution to employee Board of Governors staffs as per the budget provisions.
5. By the time this report was being prepared, the college had only received the capitation fees for 15 students out of 594 students for i& ii quarter 2019/2020 hence the large variation.
6. The budget projection could not be accomplished therefore most activities were shelved to only fund core training activities.

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

16 FINANCIAL RISK MANAGEMENT

The college activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The college'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 college 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 college financial risk management objectives and policies are detailed below:

i) Credit risk

The college 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 Board of Governors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the college's management based on prior experience and their assessment of the current economic environment.

ii) Liquidity risk management

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

iii) Interest rate risk

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

iv) Management of interest rate risk

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

17 EVENTS AFTER THE REPORTING PERIOD

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

18 ULTIMATE AND HOLDING ENTITY

The college is a State Corporation under the Ministry of Education. Its ultimate parent is the Government of Kenya.

19 CURRENCY

The financial statements are presented in Kenya Shillings (Kshs)

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

13 PROPERTY, PLANT AND EQUIPMENT

SCHEDULE OF FIXED ASSET

Description	Land	Buildings	Plant & Equipment	Catering Eqts & Cutlery	Computers	Furniture & Fittings	Total
Cost							
At 1 July 2019	1,920,000	52,153,964	936,455	15,250	6,500	127,500	55,159,669
Additions	-	-	-	73,947	71,000	1,071,899	1,216,846
Transfers	-	-	-	0	0	0	0
At 30 June 2020	1,920,000	52,153,964	936,455	89,197	77,500	1,199,399	56,376,515
Depreciation							
At 1 July 2019	-	1,303,849	181,523	7,492	1,300	30,200	1,524,364
Charge for the Year		651,925	181,523	1,905.00	2,030	572,030	1,409,413
At 30 June 2019	-	1,955,774	363,046	9,397	3,330	602,230	2,933,777
Net Book Value At 30 June 2020	1,920,000	50,198,190	573,409	79,800	74,170	597,169	53,442,738

14 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019/2020	2018/2019
	kshs	KShs
Trade Creditors	429,580.00	805,287.00
P. Emoluments	80,716.00	271,512.00
Contracted Services	30,000.00	30,000.00
Total	540,296.00	1,106,799.00

15 PAYMENTS RECEIVED IN ADVANCE FROM STUDENTS

Description	2019/2020	2018/2019
	kshs	KShs
Prepaid Fees	1,212,192.00	987,470.00
Total	1,212,192.00	987,470.00

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

9. CASH AND CASH EQUIVALENTS

Description	2019/2020	2018/2019
	Kshs.	KShs
Current account	3,426,349.00	338,807.00
Cash at Hand	94,828.00	87,064.00
Total Cash and Cash Equivalents	3,521,177.00	425,871.00

10. DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2019/2020	2018/2019
		Kshs.	KShs
a) Current account			
Kenya Commercial bank	1238447694	3,426,349.00	338,807.00
Sub- total		3,426,349.00	338,807.00
b) Others			
cash in hand		94,828.00	87,064.00
Sub- total		94,828.00	87,064.00
Grand Total		3,521,177.00	425,871.00

11. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019/2020	2018/2019
	Kshs	KShs
Student debtors(Fees Arrear)	8,518,060.00	669,310.00
Total current receivables	8,518,060.00	669,310.00

12 INVENTORIES

Description	2019/2020	2018/2019
		KShs
Stationeries	97,774.00	55,633.00
Practical materials(Training)	256,566.00	142,397.00
Repair Maintenance and Improvements	121,332.00	-
Total inventories at the lower of cost and net realizable value	475,672.00	198,030.00

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

4. USE OF GOODS AND SERVICES

Description	2019/2020	2018/2019
	Kshs	KShs
Training Materials and other related costs	3,104,341.00	1,922,182.00
Local Transport & Travel	847,240.00	262,400.00
Utilities (Electricity, Water and Conservancy)	388,912.00	153,699.00
Administrative Expenses	3,934,484.00	643,146.00
Activity (sports and recreational activities)	437,470.00	368,890.00
Students Organization(welfare meetings and club costs)	21,805.00	21,300.00
Library fees(modification of library shelves)	0	280,340.00
Total	8,734,252.00	3,651,957.00

5. EMPLOYEE COSTS

Description	2019/2020	2018/2019
		KShs
Salaries and wages	3,069,593.00	1,379,690.00
Employee related costs-contributions to pensions and medical aids	301,791.00	143,940.00
Total	3,371,384.00	1,523,630.00

6. BOARD OF GOVERNORS COSTS

Description	2019/2020	2018/2019
	Kshs	KShs
Sitting Allowance	106,000.00	694,000.00
Transport Allowance	30,000.00	70,000.00
Total	136,000.00	764,000.00

7. REPAIRS, MAINTENANCE & IMPROVEMENTS

Description	2019/2020	2018/2019
	Kshs	KShs
Cleaning Materials	145,534.00	110,504.00
Building Materials	509,378.00	65,720.00
Electrical Materials	402,390.00	418,271.00
Plumbing Materials	177,029.00	-
Fabrication of Furniture	-	247,166.00
Total Repairs and Maintenance	1,234,331.00	841,661.00

8. CONTRACTED SERVICES

Description	2019/2020	2018/2019
	Kshs	KShs
Security Guards	360,000.00	180,000.00
Total contracted services	360,000.00	180,000.00

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

1. OPERATIONAL GRANT

Description	2019/2020	2018/2019
	Kshs	KShs
Unconditional grants		
Transfers From National Government (Ministries Education)	1,000,000.00	500,000.00
Total government grants and subsidies	1,000,000.00	500,000.00

The college only received kshs. 1,000,000.00 in respect of first and second quarter as operations grant.

2. FEES FROM STUDENTS

Description	2019/2020	2018/2019
	Kshs	KShs
Tuition/S.E.S.and other related charges Actual receipts	11,685,760.00	4,358,010.00
Tuition/S.E.S. and other related charges Receivables	8,518,060.00	669,310.00
Total	20,203,820.00	5,027,320.00

The table above shows the receipts during the year based on the accrued basis of Accounting. There is accumulation of fees arrears because the college did not receive capitation for the 2019/2020 F/Y.

3. OTHER INCOME

Description	2019/2020	2018/2019
		KShs
Tender	62,000.00	2,500.00
Tractor services	228,850.00	630,370.00
KNEC Examinations	2,687,930.00	-
Total Revenue From service provision	2,978,780.00	632,870.00

The college offered ploughing services to the community at a subsidized rate collecting a total of kshs.228,850.00. During the financial year 2019/2020 the college realized kshs.62,000.00 from the sale of Tender. The Examination Fees of kshs.2,687,930.00 was towards Kenya National Examination.

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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.

Comparative figures

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

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, 2020.

**3. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION
UNCERTAINTY**

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

Estimates and assumptions

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

Useful lives and residual values

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

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

The nature of the asset, its susceptibility and adaptability to changes in technology and processes

The nature of the processes in which the asset is deployed

Availability of funding to replace the asset

Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 16.

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.

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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.

Nature and purpose of reserves

The college has not created and maintained reserves in terms of specific requirements.

Changes in accounting policies and estimates

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

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.

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.

Related parties

The college 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 college, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the principal and senior managers.

Service concession arrangements

The college analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the college 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 college also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

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

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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.

Inventories

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

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

Raw materials: purchase cost using the weighted average cost method

Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

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

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

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

Provisions

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

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

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

Contingent liabilities

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

Contingent assets

The college does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the college in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an

4. 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 college 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 college 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 college assesses at each reporting date whether there is objective evidence that a financial asset or college financial assets is impaired. A financial asset or a 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:

The debtors or a 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 college 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.

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the College. 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 College 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.

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

Research and development costs

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

The technical feasibility of completing the asset so that the asset will be available for use or sale.

Its intention to complete and its ability to use or sell the asset

How the asset will generate future economic benefits or service potential

The availability of resources to complete the asset

The ability to measure reliably the expenditure during development.

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

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

using a classification based on the nature of expenses in the statement of financial performance as well as the budget is prepared on accrual basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, was then presented in the statement of comparison of budget and actual amounts.

Taxes

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.

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 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.

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.

UGENYA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Ugenya Technical and Vocational College is established by and derives its authority and accountability from TVET Act 2015. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is 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, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

b) Budget information

The original budget for FY 2019/2020 was approved by the Board on 23/08/2019. Subsequent revisions or additional appropriations were on 20/01/2020 made to the approved budget in accordance with specific approvals from the appropriate authorities. There were no any other additional appropriations added to the original budget by the College in order to conclude the final budget.

The College's budget is prepared on the same basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis