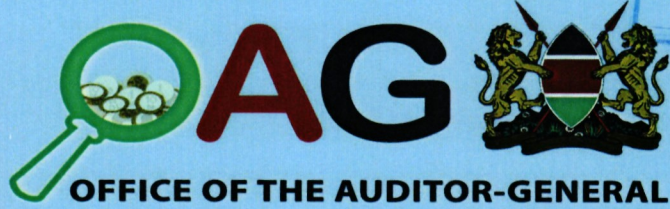


REPUBLIC OF KENYA

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*Enhancing Accountability*

THE NATIONAL ASSEMBLY	
<b>REPORT</b>	
DATE:	02 MAR 2022
	WEDNESDAY
TABLED BY:	MAJORITY LEADERSHIP
OF	HON. E. WANGWE
CLEAR AT THE TABLE:	SAMUEL KALAMA.

**THE AUDITOR-GENERAL**

**ON**

**KIENI TECHNICAL AND VOCATIONAL  
COLLEGE**

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

**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020

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Template: June 2020



**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**KIENI TECHNICAL & VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED**

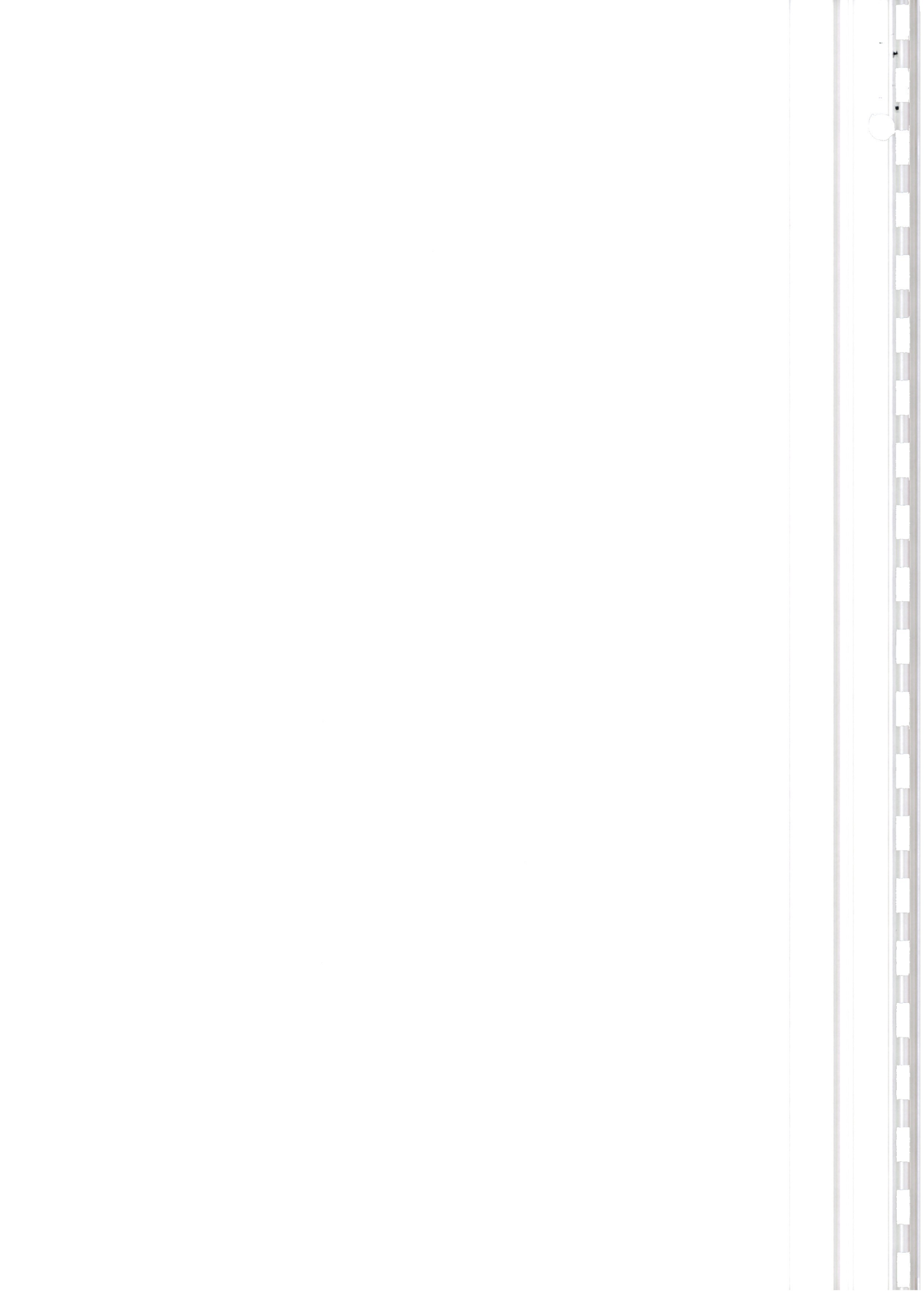
**30<sup>TH</sup> JUNE, 2020**

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**KEY K T V C INFORMATION AND MANAGEMENT**

**(a) Background information**

Kieni Technical & Vocational College is located at Karicheni Village in Nyeri County, Kieni Sub County. The construction of Kieni T.V.C started in 2014. It was a joint effort of the Kenya Government and the C.D.F. of Kieni Constituency. The Government contributed Ksh. 40 millions whereas the C.D.F. of Kieni constituency contributed ksh. 10 million. The college was mentored by Mathenge Technical Training Institute in Nyeri County. It was completed in March 2018 and the Public Service Commission posted the first principal in February 2020. The Government equipped the college with Building Technology Machines and training equipment making a centre of excellence in building & civil engineering and surveying.

The student population has continued to grow tremendously from 24 students at the beginning of the quarter 1 to 62 by the end of quarter 2. The college has also diversified its training program by introducing additional courses and also equipping various workshops.

Kieni technical & vocational college is represented by the cabinet secretary for Education, who is responsible for the general policy and strategic direction.

**(b) Principal Activities**

The Mandate of KIENI Technical & vocational college is to provide Technical, Vocational and Entrepreneurship Training (TVET) in a conducive environment using appropriate technology to empower her trainees for individual and national development.

It is the responsibility of Kieni TVC to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development.

**(c) Key Management**

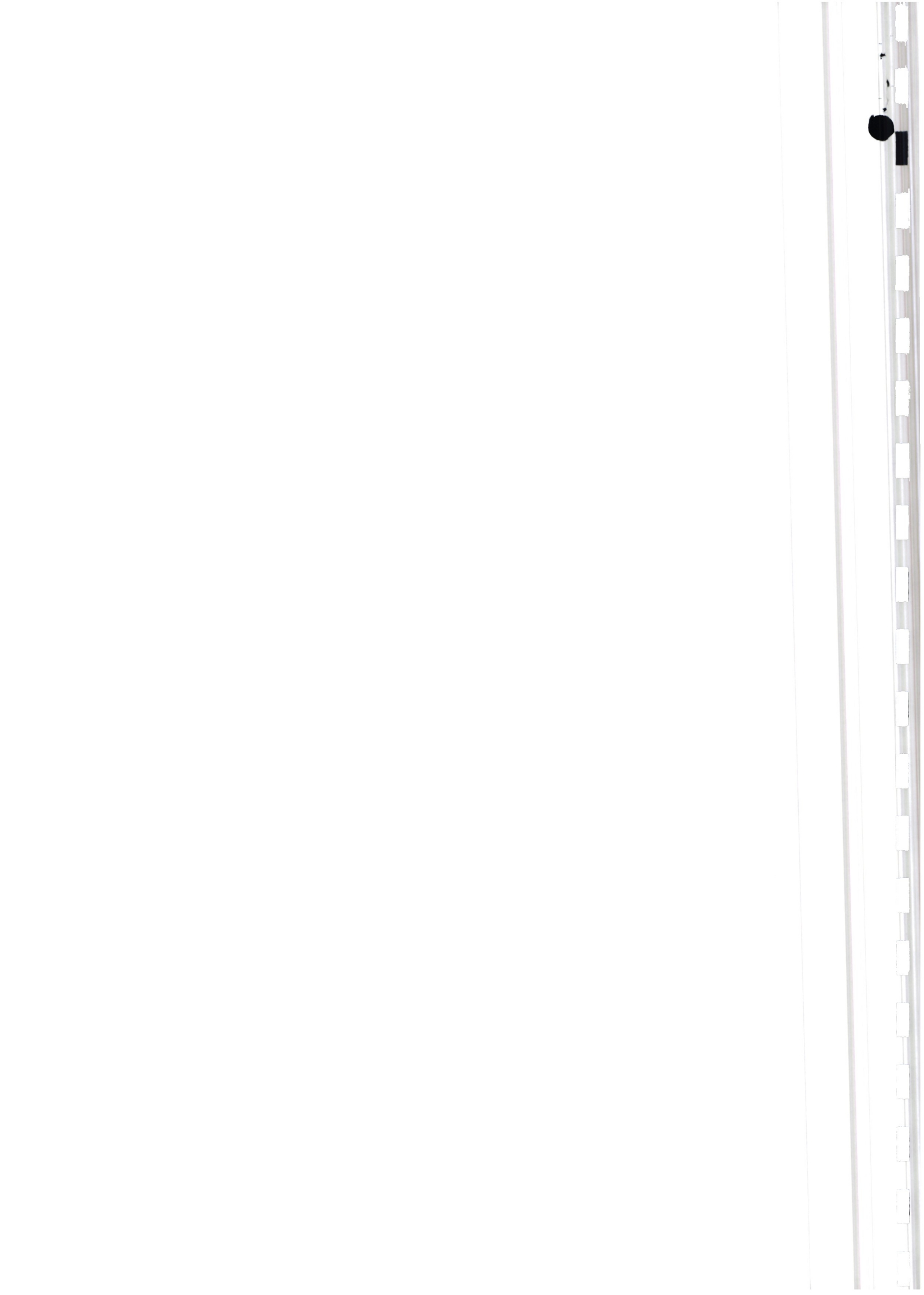
The College *day-to-day* management is under the following key organs:

- Board of members
- Accounting officer & Principal
- Head of Management

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Principal	Ruth Ruita
2.	Acting Registrar	Kaburia Peter
3.		



(e) **Fiduciary Oversight Arrangements**

**Board Committees**

**Audit & Risk, Finance, Development & Procurement BoG Members committee**

No	Name	Designation
1	CPA Rephah Mumbua Kitavi	Chair
2	Elizabeth wanjohi	Member
3	Grace nguru	Member
4	Daniel kangangi	Member

**Academic & human resource Members committee**

No	Name	Designation
1	Dr Helen Kamiri	Chair
2	Caroline Mwasa	member
3	Sebastian Chitechi Kweyu	member

(f) **KTVC Headquarters**

P.O. Box 316 - 10102 KIGANJO  
Nyeri County  
Kieni Sub County  
5 km from Chaka & Naromoro Road

(g) **KTVC Contacts**

Telephone :( 254)0791917471  
E-mail: [kienitech2020@gmail.com](mailto:kienitech2020@gmail.com)  
Website: [www.kienitvc.ac.ke](http://www.kienitvc.ac.ke)

Stamp: KIENTECH  
P.O. Box 316  
Tel: (254) 079 191 7471  
Signature: [Handwritten Signature]  
Date: 30/9/2020

(h) **KTVC Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Kenya Commercial Bank  
Kenya Commercial Bank Ltd  
Nyeri Branch  
Nyeri Town

**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020

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

**(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



**(k) Board Members**

Director's passport-size photo and name, and key profession/academic qualifications	description of each Director's date of birth, key qualifications and work experience
 <p>1. <b><u>George Wachiuri</u></b> Masters of Business Administration University of Nairobi Bachelor of Commerce (Marketing Option) Certified Public Accountant CPA (K).</p>	<p>He is an entrepreneur par excellence. He captains one of the most trailblazing organizations in the region, Optiven Group.</p> <p>He is also a passionate philanthropist and the Chairman and Trustee of one of the most vibrant Foundations in the region, Optiven Foundation. He is also a motivational speaker, a lecturer and serves as a church elder</p>
 <p>2. <b>DANIEL KANG'ANG'I</b></p>	<p>He is seconded by the Governor Nyeri County is a proprietor of Snow View Kanga'ng'i Academy</p>
 <p>3. <b>HELLEN WANGECHI MWAURA KAMIRI (PHD)</b></p>	<p>Research scientist and senior lecturer, School of Agriculture and Biotechnology</p>
 <p>4. <b>GRACE WANJIRU NGURU</b> BSc. Electrical and Telecommunication Engineering.</p>	<p>Customer Service Engineer working at Kenya Power and Lighting Co</p>

DISTRICT COLLEGE  
 KIENTI  
 P.O. BOX 316 KIGANJO  
 Tel: 0791917471  
 Sign.....Date.....





5.

**CPA REPHAH MUMBUA KITAVI**

Master's of Science in Finance and Investment from Kenya Methodist University

Bachelor of Arts (Honors) from Kenyatta University.

Certified Public Accountants (CPA).

Certified Information Systems Auditor (CISA) ISO 9001:2015 internal auditor.

10 years' experience in public financial management and accounting, risk management and internal auditing in both public and private sector.

•



6.

**Sebastian Chitechi Kweyu**

PhD in Business Administration candidate at the University of Nairobi,

Master in Business Administration degree from the University of Nairobi (2010)

BSc. Tourism degree from Moi University (1997).

**[2011 – Now] Lead Consultant,**

Spot-on Business Consultancy (Business consulting firm), Nairobi. [www.spot-onconsultancy.com](http://www.spot-onconsultancy.com)

**[2014 – 2015] Commercial Manager,**

Revenue management, Southeast Airlines (Aviation Industry), Nairobi. [www.southeastairlines.com](http://www.southeastairlines.com)

**[2012 – Now] Lecturer,**

School of Business, Kenyatta University (Academia), Nairobi. [www.ku.ac.ke](http://www.ku.ac.ke)

**[2011 – 2011] Revenue Manager,** Revenue management,

Arik Air (Aviation Industry), Lagos. [www.arikair.com](http://www.arikair.com)

**[2006 – 2011] Senior Demand Analyst,** Revenue management,

Kenya Airways (Aviation Industry), Nairobi. [www.kenya-airways.com](http://www.kenya-airways.com)




 <p><b>Carolyn Kavuli Mwasaa</b>  PHD in information technology ongoing  Masters of Science: Information Systems.  Bachelor of Education (Science) Mathematics and Physics</p>	<p>Feb 2020- to date: Umma University: Lecturer in the department of computer science  Jan 2013-Jan 2020: Presbyterian University of East Africa.  Lecturer in the department of computer science, my teaching subjects ICT and Mathematics.  I have also taught as an adjunct faculty in various universities including JKUAT, USIU, Kenya Institute of Highways and building Technology (KIHBIT), Railway Training Institute, RTI among others.  2003-2014. TSC commission. Teaching in high school and technical colleges.</p>
 <p>Elizabeth Wanjohi</p>	
<p>7.  Ms Ruth W Ruita  P.O BOX 316- 10102  KIGANJO</p> 	<p><b>Date of birth:26<sup>th</sup> August 1967</b>  <b>Academic &amp; Professional Qualifications:</b>  2013- 2017 -Bachelor of Arts Counselling psychology  2003 – 2004 - Higher Diploma technical education management  1994 - Diploma Institutional Management  <b>Work experience</b>  1991- 2003 Machakos Technical –Lecturer fashion design/ deputy HoD Clothing  2003 – 2004 Higher Diploma KTTC(Education Management)  2005- 2009 Nyeri Technical Training Institute (section head clothing)  2009- 2014 Deputy Liaisons Officer  2015 – 2016 head of complaints office  2016 – 2020 Feb Dean of students  2020 Feb to date principal Kieni TVC</p>

**KIENI TECHNICAL COLLEGE**  
P.O. BOX 316 KIGANJO  
Tel: 0791917471  
Sign.....Date.....



## MANAGEMENT TEAM

1. Principal passport-size photo	Indicate the main area of responsibility – without details
2. 	Ms Ruth W Ruita P.O BOX 316- 10102 KIGANJO



## CHAIRMAN'S STATEMENT

I am pleased to present the annual report and financial statement of Kieni Technical & Vocational College for the year ended 30<sup>th</sup> June 2020.

The demand for TVET programmes in the country has continued to rise prompting the institution to continually introduce academic programme that respond to the demand of the market. The objective of the board is to position the college main programmes within the context of the market requirements, cost rationalisation, equity and customer satisfaction.

During the financial 2019 - 2020 period, key achievements were realized, these are

- Increased student's enrolment
- Substantial physical infrastructure
- Establish and Strengthened collaboration and liaison with key local industries where the college can attach its trainees.
- Established collaboration with the sister institutions.
- Established public private partnership to address the shortage of accommodation spaces for the increased population growth.
- Participated in various KATTI activities at both the regional and national levels.
- Strengthen marketing strategies which have prompted population growth.

During this 2019-2020, financial year, financial commitment was geared towards establishment academic structures, policies, implementation of the College strategic plan which has sets out the process and timeframe of putting up various structures suited to give support to academic programmes being the core function of the institution.

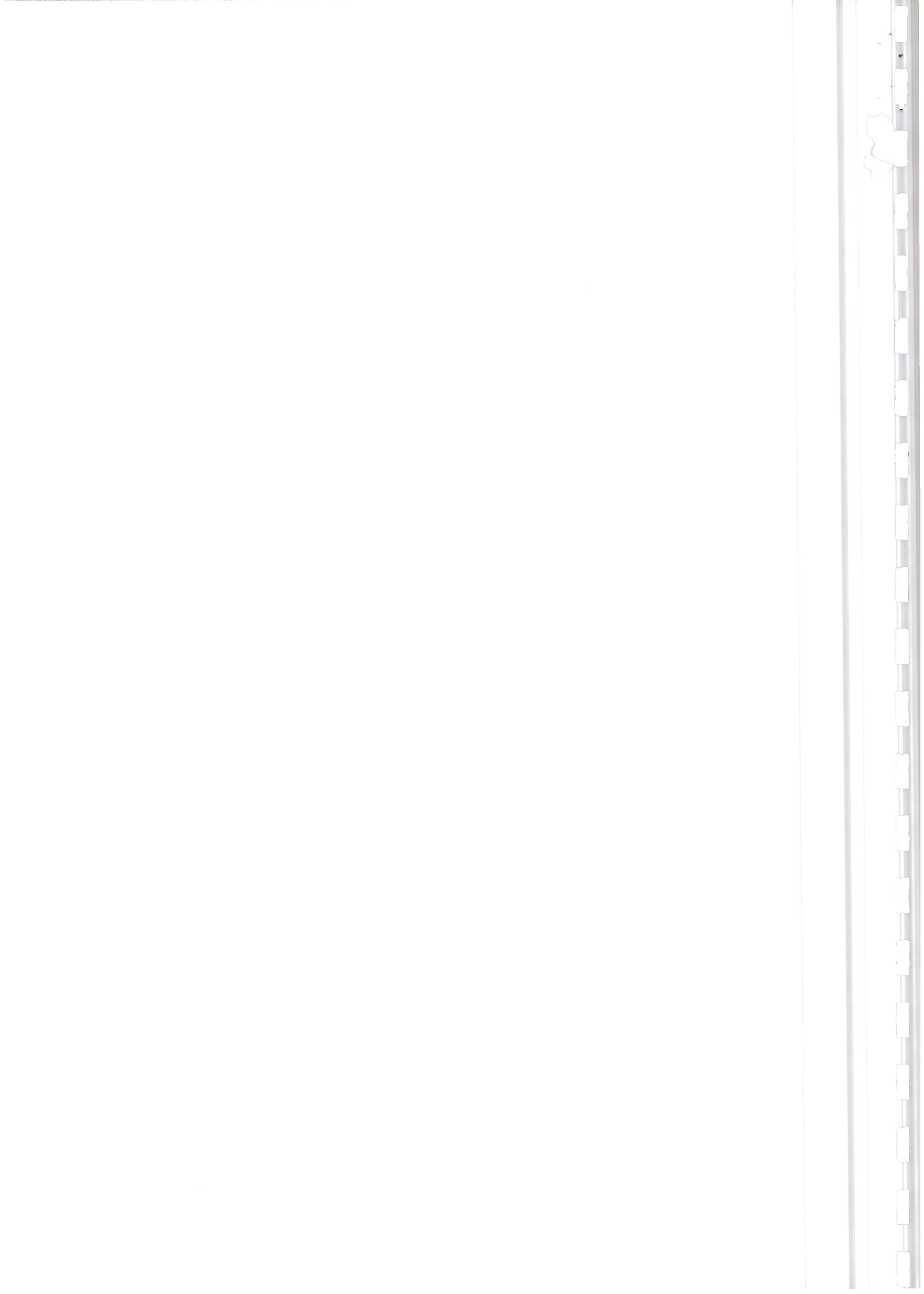
I am proud to note that most of the goals set out within the year of the strategic plan have indeed been achieved. These include:

- Growth in student's numbers.
- Competitive recruitment of staff both trainers and other support staff.
- Development of the infrastructures to support academic programmes.
- Development of various physical infrastructures in the college.
- Implementation of the developed policies.

The college received HELB loans /bursary and GoK capitation for the college trainees however it has been withheld by the mentoring institution due to the accumulated debt of kshs. 2,059,854. It's my appeal to the ministry of education to offset the above outstanding debts owed to the mentor. When released, the fund will be utilised in mounting of academic structures that will boost good training environment for both trainers and trainees.

In this regard, I wish to thank the members of the board who have provided useful insight to the college management making it possible to collectively make progress. The board remains committed to building on the foundation laid down so far and work closely with all the stake holders in order to realise further development. The board is pleased with efforts of the KTVC to ensure prudent management of resources and the level of compliance with the government regulations and statutory requirement.

I thank the government for its financial support so far that has made it possible to implement the KTVC functions and programmes.



I finally, wish to thank all stake holders for their continued support and dedication, even as we together strive to achieve greater heights of excellence.



Chair of the Board of Governors

PRINCIPAL  
KIENI TECHNICAL COLLEGE  
P.O. Box 318 MIGANJO  
Tel: 0701917471  
Sign

Date 30/9/2020



## **REPORT OF THE PRINCIPAL**

Presented herein is the annual report and financial statement of Kieni Technical & Vocational College for the year ended 30<sup>th</sup> June 2020 as per requirements of the Public Finance Management Act of 2012 and public audit act, 2003.

### **Non financial information**

#### **(a) Academic programme**

During the financial year under review the college had 6 academic programmes. Namely

- a) Food & beverages
- b) Fashion and design
- c) Information communication technology
- d) Plumbing
- e) Electrical engineering
- f) Hairdressing and Beauty therapy

#### **(b) Student population**

The College admits students allocated by KUCCPS, walk in placements and outsourcing them from high population catchment areas. By the end of the 2019/20 financial year, the College had a population 121 students. The number is expected to rise to over 300 students in the 2020/21 financial year. This will be achieved through

- Aggressive marketing of the college programmes
- Expansion of the college training facilities to accommodate more trainees
- Mounting of academic programmes that are attractive to trainees
- Improved internal and external academic performance
- Strengthened collaborations with local industrials and other institutions of higher learning

#### **(c) Strategic Plan & college operational policies**

The college developed and operationalized its 1<sup>st</sup> strategic plan for the 2019/20 to 2023/24 financial year which is meant to transform the college to the state of the art training institution by the end of the strategic plan horizons. The college also developed the following policies which will steer the college to great heights.

- (i) Academic Policy,
- (ii) Scheme Of Service,
- (iii) Financial Policy
- (iv) Human Resource Policy
- (v) Student Rules & Regulation

#### **(d) Provision of requisite facilities**

As a strategy to increase competitive advantage, the management of the College continued to expand the existing training facilities to attract and accommodate more students.

#### **(e) Appointment and inauguration of the new BoG.**

In the financial year 2019/2020, the College Board of Governor was appointed and inaugurated in the month of September, and induction was done in the month February 2020 to equip them with prerequisite skills to oversight the management of the College resources.

#### **(f) CORPORATE SOCIAL RESPONSIBILITY**

The College embarked on the following CSR activities within the year.

- Hiring members of the local community on casual basis
- Donated face mask to the local community

- Provided Mentorship programmes

**Financial information**

During the financial year under review, the College realized a deficit in the year compared to the surplus that was recorded in the year ended on 30<sup>th</sup> June 2019.

This has been attributed to decline in sources of the revenue, slow students population growth and increase in the payables of kshs 2,059,854.00 which is due to the mentoring institution.

On behalf of the management and staffs of KTVC, i take this opportunity to thank the Board of the Governors for the support accorded to the college and for its visionary direction in development of the college.

I appreciate the support from the GoK through -out the year under review though we appeal for more support especially for the purpose of establishing suitable facilities required towards becoming the TVET of choice for trainers in Kenya and beyond.

I thank all the staffs and trainees of KTVC for their continued cooperation in this challenging but noble task of building the College and I look forward to the same cooperation and enthusiastic participation in 2020 – 2021 financial year.

TECHNICAL COLLEGE  
P.O. Box 316 ELIGANJO  
Tel: 0791917471  
Sign.....Date.....

30/9/2020

Principal/Secretary BOG



## REVIEW OF KIENI TECHNICAL & VOCATIONAL COLLEGE 'S PERFORMACE FOR FY 2019/2020

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

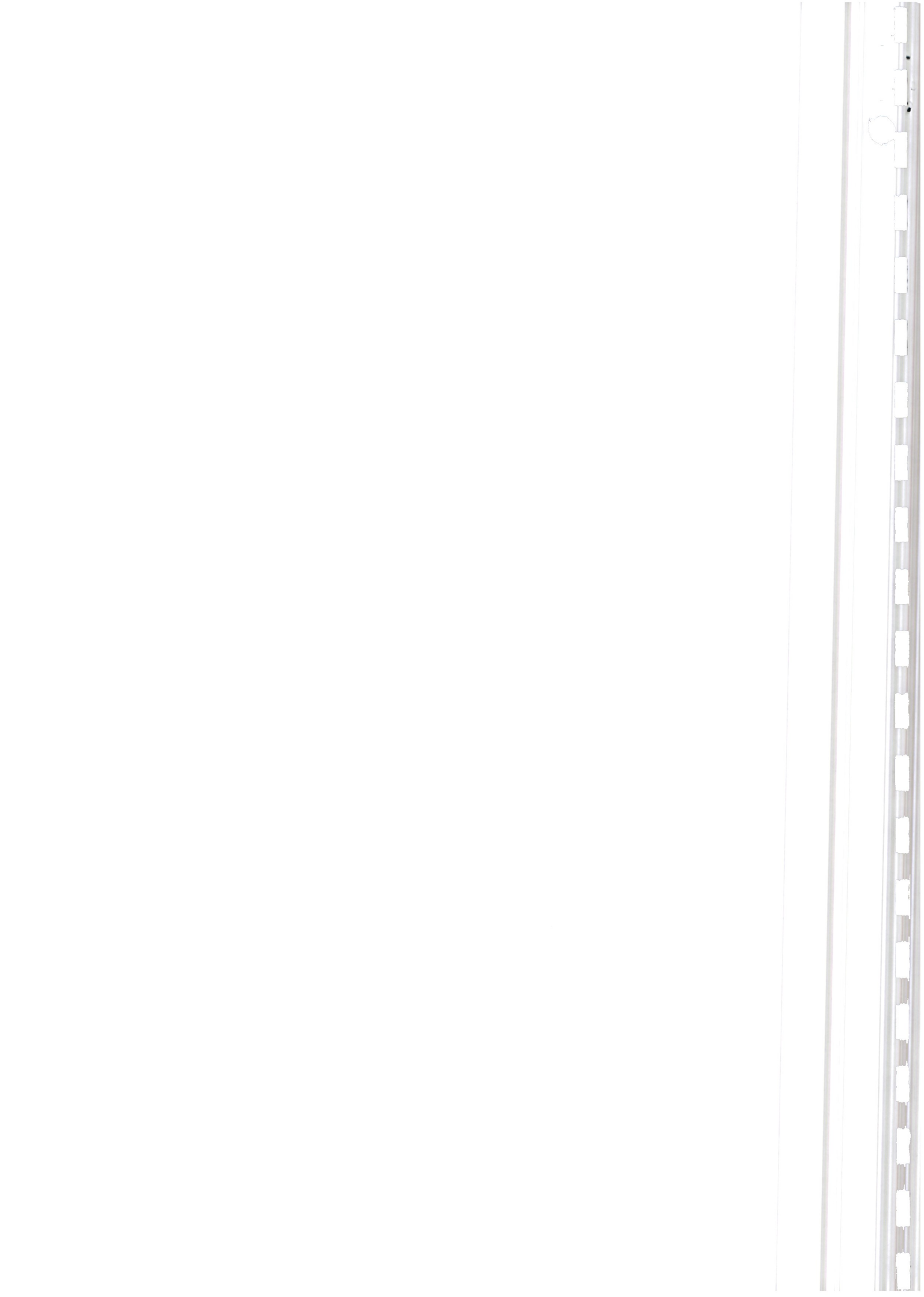
KieniTVC has seven strategic pillars and objectives within its Strategic Plan for the FY 2019/20-2023/2024. These strategic pillars are as follows:

- Enhancement of access and equity
- Improve college visibility & corporate image
- Infrastructure development
- Enhance research and innovations.
- enhancement of human resource establishment and development
- enhance ICT integration in training & operations
- Enhanced collaboration, partnerships and linkages

Kieni TVC develops its annual work plans based on the above seven 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 2019/2020 period for its seven strategic pillars, as indicated in the diagram below:



Pillar no	Objective	K P I	Activities	Achievements
1	Enhancement of access and equity	No of market driven academic programme in place	Start CBET programmes	TVET CDACC programme in hair dressing & beauty therapy
2	Improve college visibility & corporate image	No of trainees enrolled	Aggressively market the college programme through various mean	Enrolment increased by 50 students
3	Infrastructure development	No of infrastructures and equipments in place	build the college main gate plus gate house	gate and gate management house built and in use.
4	Enhance research and innovations.	Research & innovation policy developed	develop online application where potential trainees can apply for courses	Online application platform developed
5	enhancement of human resource establishment and development	Staff establishment in place	Carry out skills gaps analysis Carry out staffs training needs assessments Execute intervention programmes	PSC recruited staffs in areas where there was skills gap
6	enhance ICT integration in training & operations	Number and type of ICT equipment	Update antivirus softwares regularly Back up the college information	antivirus softwares regularly Updated college information Backed up
7	Enhanced collaboration, partnerships and linkages	No of industrial players who have collaborated with college	Collaborate with the players in the hospitality industries where college trainees can be attached. Collaborate with Local health centre unit in promotion in attainment of UHC	MoU developed with identified key players in market training & sensitization on COVID 19 response done by health workers from Local health centre



## KIENI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020

### CORPORATE GOVERNANCE STATEMENT

Kieni Technical & vocational College corporate objective is to provide Technical and Vocational Education and training for producing competent graduates that can develop rapidly in their specialized fields and are relevant in the global market

This will be done by using innovation, training and community outreach as prescribed by the mission statement and through the discovery, development and conversion of talent and natural resources, and the provision of innovative customer and market- focused academic programmes.

#### Corporate Governance Principles

In pursuit of the corporate objective, we have committed to the highest level of governance and strive to foster a culture that values and rewards exemplary academic excellence within clear ethical standards, personal and corporate integrity and respect for others. The Board of governor governance role, basis and conduct of business are guided by the constitution of Kenya 2010, TVET act of 2012, Mwongozo Code, 2015.

It is our view that governance is not just a matter for the board; a good governance culture must be percolated through the institution system. The current social-economic, business and political environment in which the institution operates underscores the need for continued high standards of corporate governance and accountability. The emerging realities unmasked with the promulgation and implementation of the 2010 constitution, an enlarged space for expression and a more enlightened clientele, calls for diligence in governance.

#### Size and composition of the board

The board consists of eight board members who possess extensive experience in a variety of disciplines all of which are applied in the overall management of the institute. The board has the right balance of skills and experience appropriate for the requirements of the institute, all members participated in the decision making and that the board operated effectively throughout the year and continues to do so.

In compliance with the constitution in the board composition in terms of males and female board members was 33% and 67% respectively

#### Board appointment, inauguration & induction

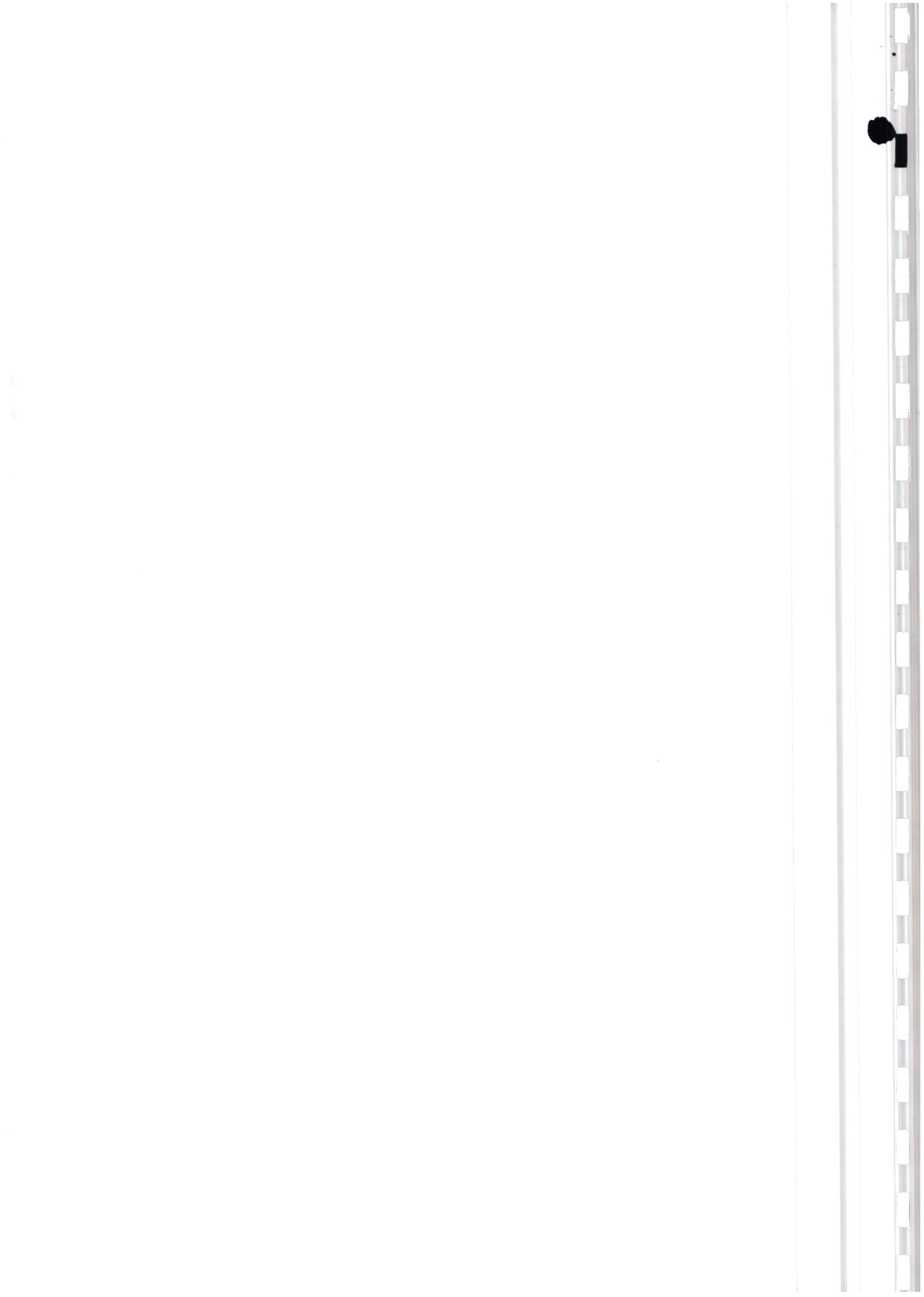
The College Board members were appointed early in 2018 as the college started its operations; however the process of vetting and approval by the ministry of education took 2 years. The inauguration was done in the month of October 2019 and induction to all the new BoG members of TVET institution in Mt Kenya done in the month of February 2020 at Norklas Hotel Riverline.

#### Board committees

The College Board has established 2 committees that assist it to discharge its functions. These committees are:

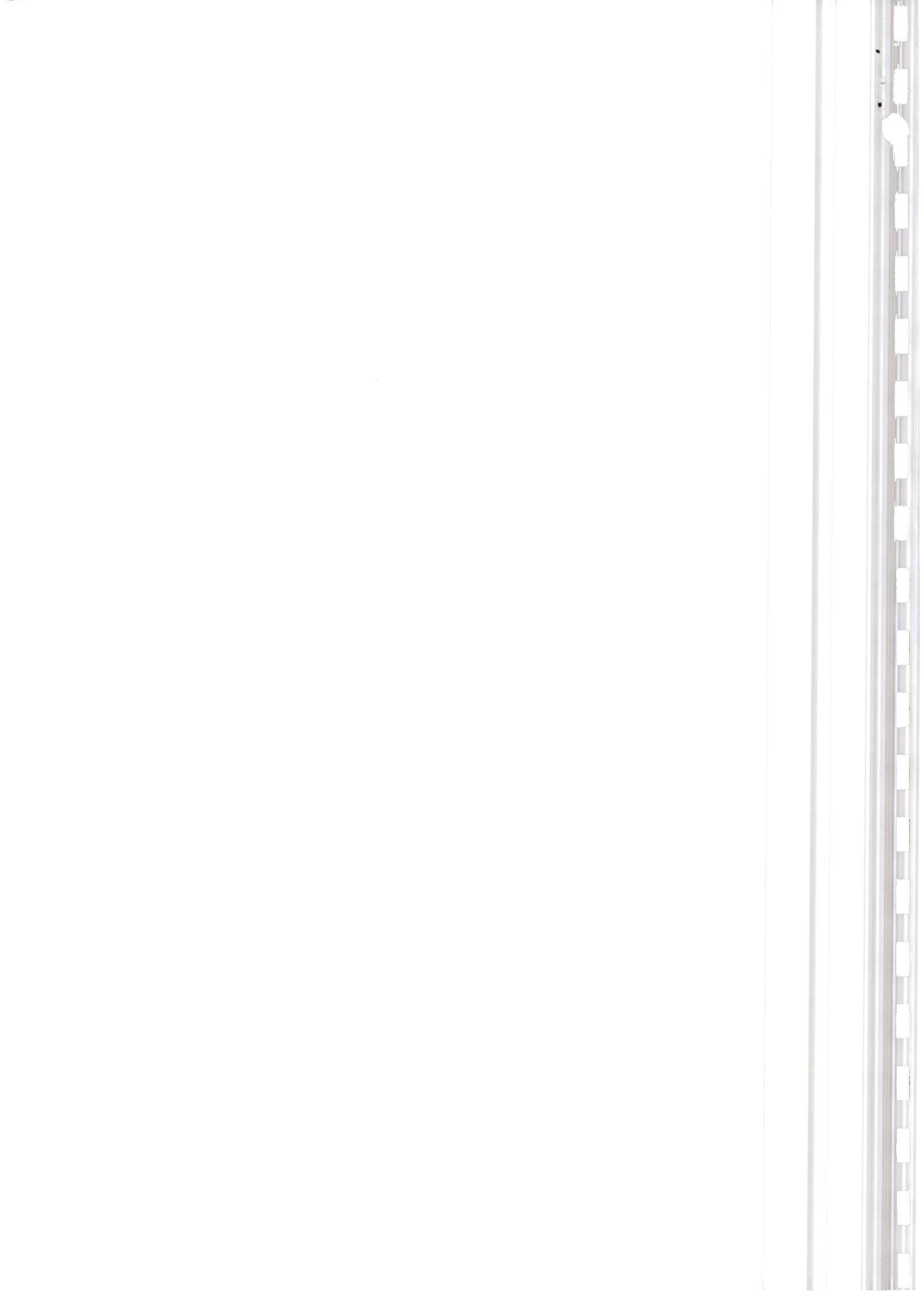
##### Audit & Risk, Finance, Development & Procurement BoG Members committee

No	Name	Designation
1	CPA Rephah Mumbua Kitavi	Chair
2	Elizabeth wanjohi	Member
3	Grace nguru	Member
4	Daniel kangangi	Member



**Academic & human resource Members committee**

No	Name	Designation
1	Dr Helen Kamiri	Chair
2	Caroline Mwasa	member
3	Sebastian Chitechi Kweyu	member



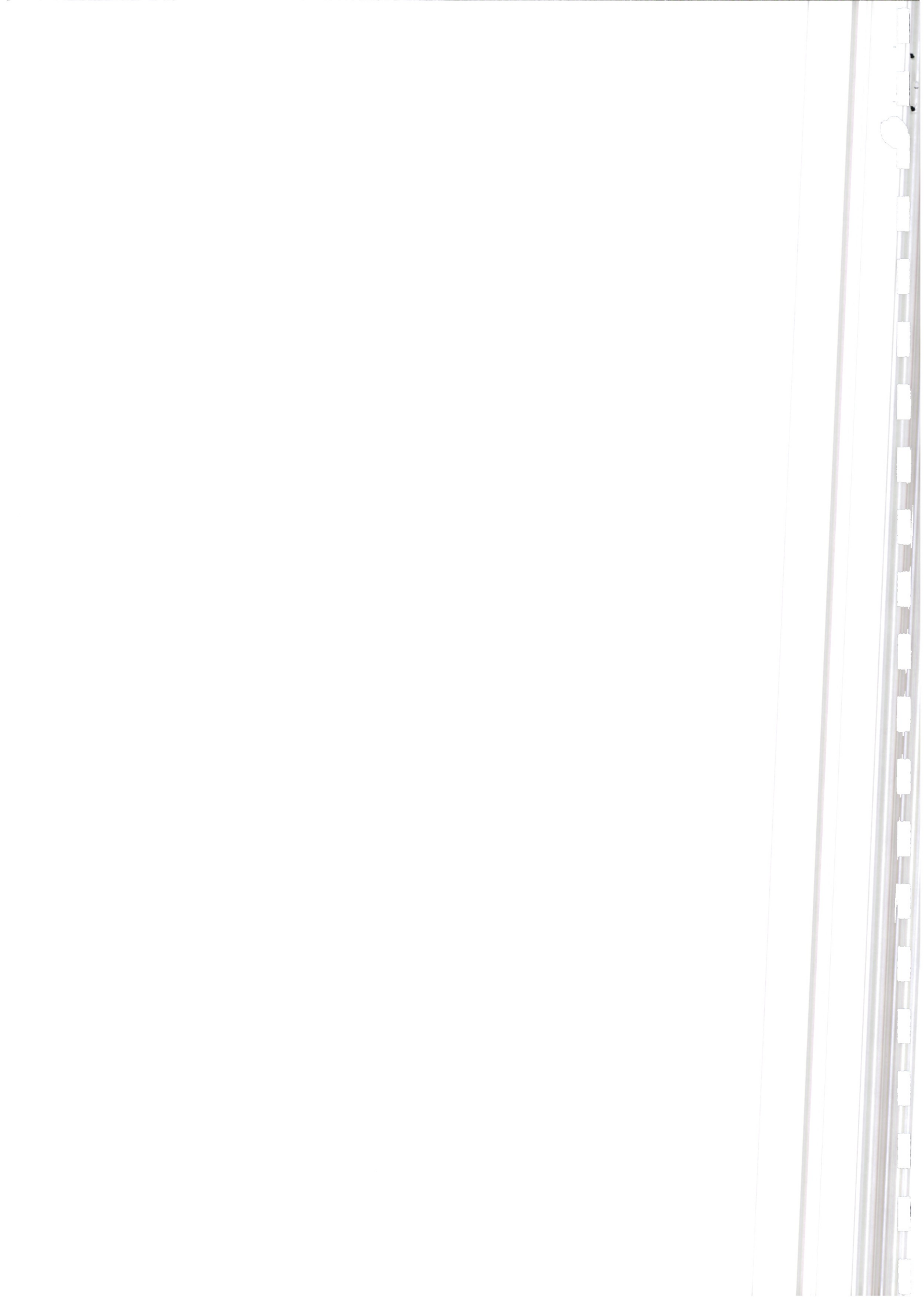
## MANAGEMENT DISCUSSION AND ANALYSIS

The PFM act of 2012 requires that the BoG to prepare financial statement for the institute which gives true and fair view of the state of affairs of the college and operating results of the college. The BoG is also required to ensure that the college keeps proper accounting records which disclose with accuracy the financial position of the college and safeguard the college assets.

The BoG is responsible for the preparation and presentation of the college financial statement which give a true & fair view of the college. The 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 misstatement, whether due to error or fraud.
- iv. Safeguard the college assets
- v. Selecting & applying appropriate accounting policies
- vi. Making accounting estimates that are reasonable in the circumstances.

PRINCIPAL  
KJENT T. ... COLLEGE  
P.O. Box 316 RIGANJO  
Tel: 092-1917471  
Sign.....Date.....



## CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY

### 1. Sustainability strategy and profile

The college has developed the following sustainability strategy to ensure that it remains afloat.

- a) Development and implementation of the college strategic plan which covers 2019/20 to 2023/24 financial years
- b) Development of various operational policies
- c) Appointment, inauguration and induction of Board of Governors
- d) Constituting various Board committees
- e) Strengthening and expanding the current academic programmes and introducing new competitive programmes

#### Achievement

These include:

- Growth in student's numbers.
- Competitive recruitment of staff, both trainers and other support staff.
- Development of the infrastructures to support academic programmes.
- Development of various physical infrastructures in the college.
- Implementation of the developed policies.

#### Challenges

Key challenges faced by the college since inception is inadequate resources to finance the proposed projects. The covid 19 pandemic has created uncertainty environment for doing business including the marketing of the college programmes.

### 2. Environmental performance

The college recognises environmental sustainability as the greatest challenges in the 21<sup>st</sup> century and commits to ensuring that its major strategy and operations consider their environmental and ecological aspect and impacts. In this respect, the college is:

- a) Partnering with the local community within chaka shopping centre in keeping those towns clean by sponsoring staffs and students to freely participate periodical cleaning exercises
- b) In order to maintain healthy environment, the college planted grass on the sloppy part of the compound to reduce the soil erosion.

### 3. Employee welfare

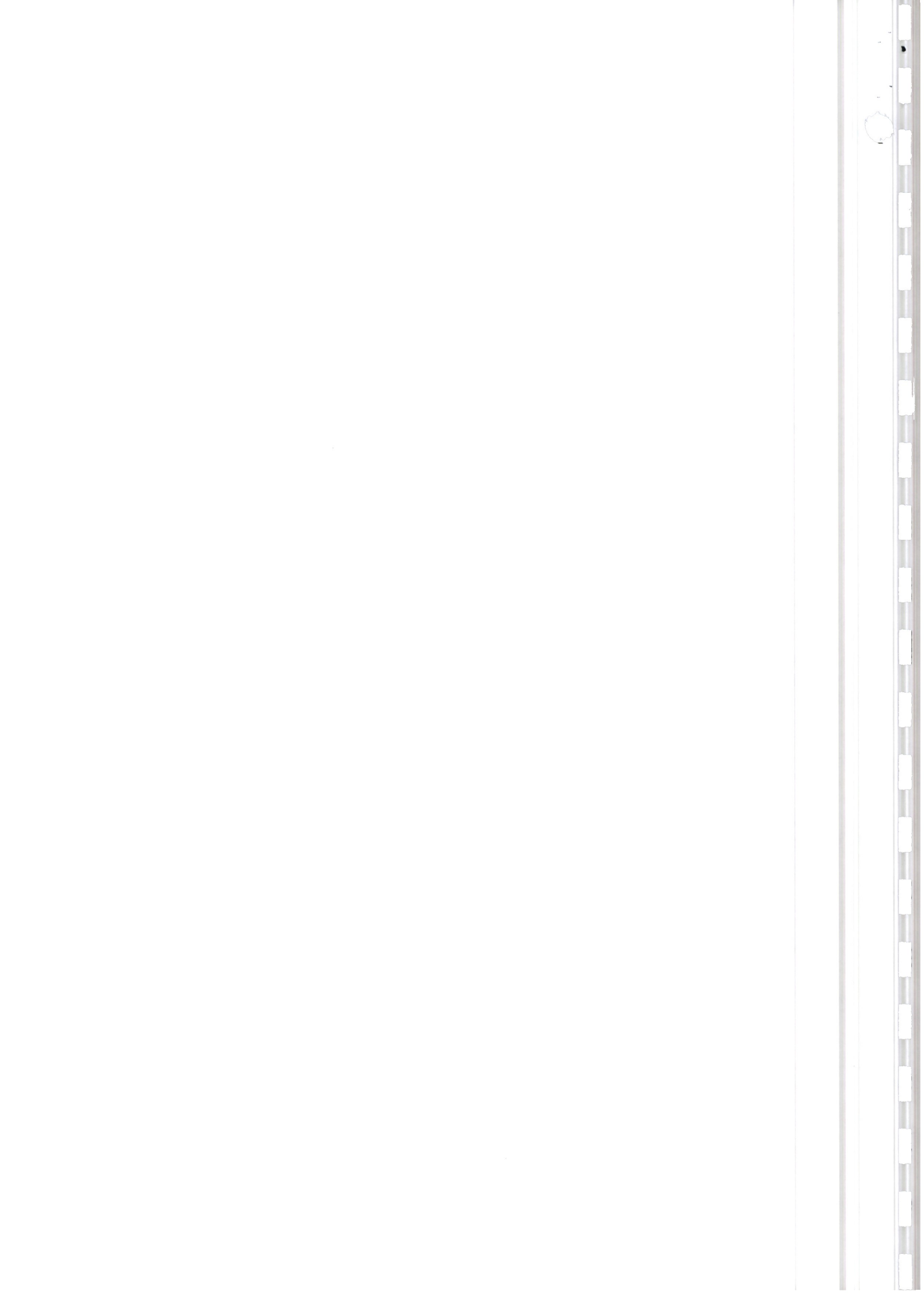
The college developed human resource policy and scheme of service that spells out

- a) The terms of employments,
- b) Qualification and experiences needed at each position
- c) Process of the identifying the skills gap
- d) Process of the recruitment

### 4. Market place practices-

The college has adopted the following marketing practices to ensure it has enough numbers per academic programme as per the MOE requirements.

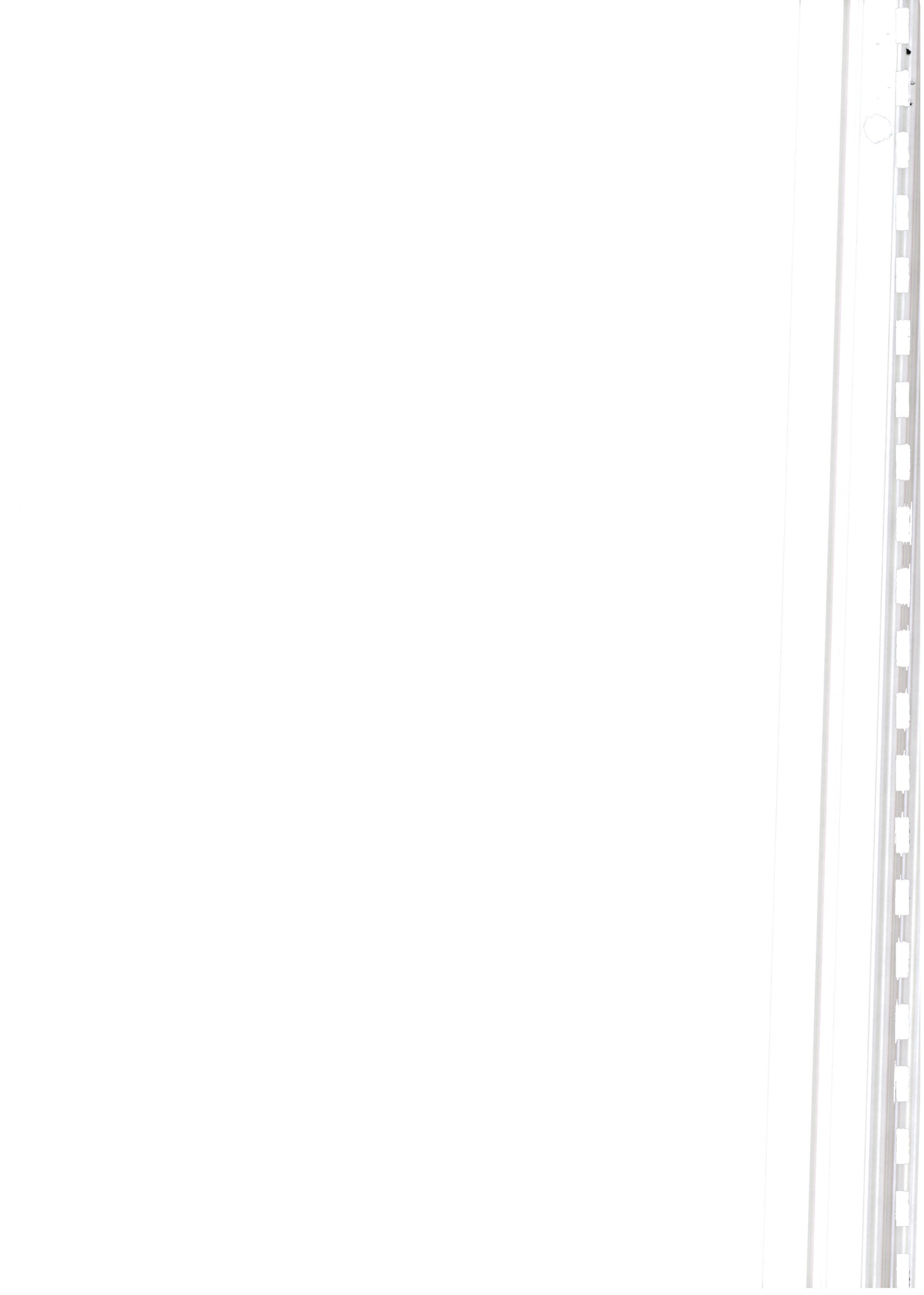
- a) Established exchange programme with institution of higher learning
- b) College excellence performance trends to its trainers in both internal and external exams
- c) Participating in the regional education forums and also in KATTI activities
- d) Organised career guidance to the form 4 students in secondary schools within the kieni Region.
- e) Building capacities of its trainers as per the training needs analysis gaps intervention programmes
- f) Recruitment of the competent trainers in areas where there are skills gap.



5. **Community Engagements-**

During the year under review, the college undertook the following corporate social responsibility objective:

- a) Participated in the education forum for schools with kieni region
- b) Organised a workshop to sensitize the community on the various ways to fight against the spread of the covid 19.
- c) Offered career talk to students during the Mt Kenya TVET exhibition fair at Kerugoya Stadium



## REPORT OF THE BOARD OF GOVERNORS

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

### Principal activities

The principal activities are

- Produce competent and quality trainees as per the demand of the market.
- Generate appropriate knowledge, skills, attitude, competencies, and innovation outputs that impact on the national development goals and social welfare.
- Produce, transfer and disseminate appropriate technology for the benefit of the College, industry and society in general.
- Develop collaborations & linkages with relevant industries and training institution

### Results

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


## BOARD OF GOVERNORS

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

### 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.

PRINCIPAL  
KIENI TECHNICAL COLLEGE  
P.O. Box 316  
Tel: 011 917471  
Sig.

Date: 30/9/2020



# REPUBLIC OF KENYA



*Enhancing Accountability*

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## REPORT OF THE AUDITOR-GENERAL ON KIENI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kieni Technical and Vocational College set out on pages 1 to 22, which comprise of the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the 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 Kieni 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 the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Misstatement of Total Revenue

The statement of financial performance reflects revenue amounting to Kshs.4,635,630 for the year ended 30 June, 2020. However, a review of primary records including receipts and cashbook indicated a balance of Kshs.5,271,170 resulting in an unexplained variance of Kshs.635,540.

As a result, the accuracy and completeness of revenue of Kshs.4,635,630 for the year ended 30 June, 2020 could not be ascertained.

##### 2. Understatement of Property, Plant and Equipment Balance

The statement of financial position reflects nil balance in respect of property, plant and equipment as at 30 June, 2020. However, review of the College's fixed assets register revealed undetermined values of parcels of land, several buildings, laboratory equipment, machinery, furniture and fittings; and other assets donated by the

Government of Kenya all of which were excluded from the financial statements. No value has been attached to these assets thus understating of the total assets of the College by an undetermined amount.

In the circumstances, the accuracy and completeness of the total assets balance of Kshs.2,294,689 as at 30 June, 2020 could not be ascertained.

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

#### **Unresolved Prior Year Audit Matter**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: No. AG.4/16/3 Vol.1(9) dated 24 June, 2020.

## **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.

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 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 the Board of Directors**

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

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

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

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

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

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

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

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

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

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

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

**Nairobi**

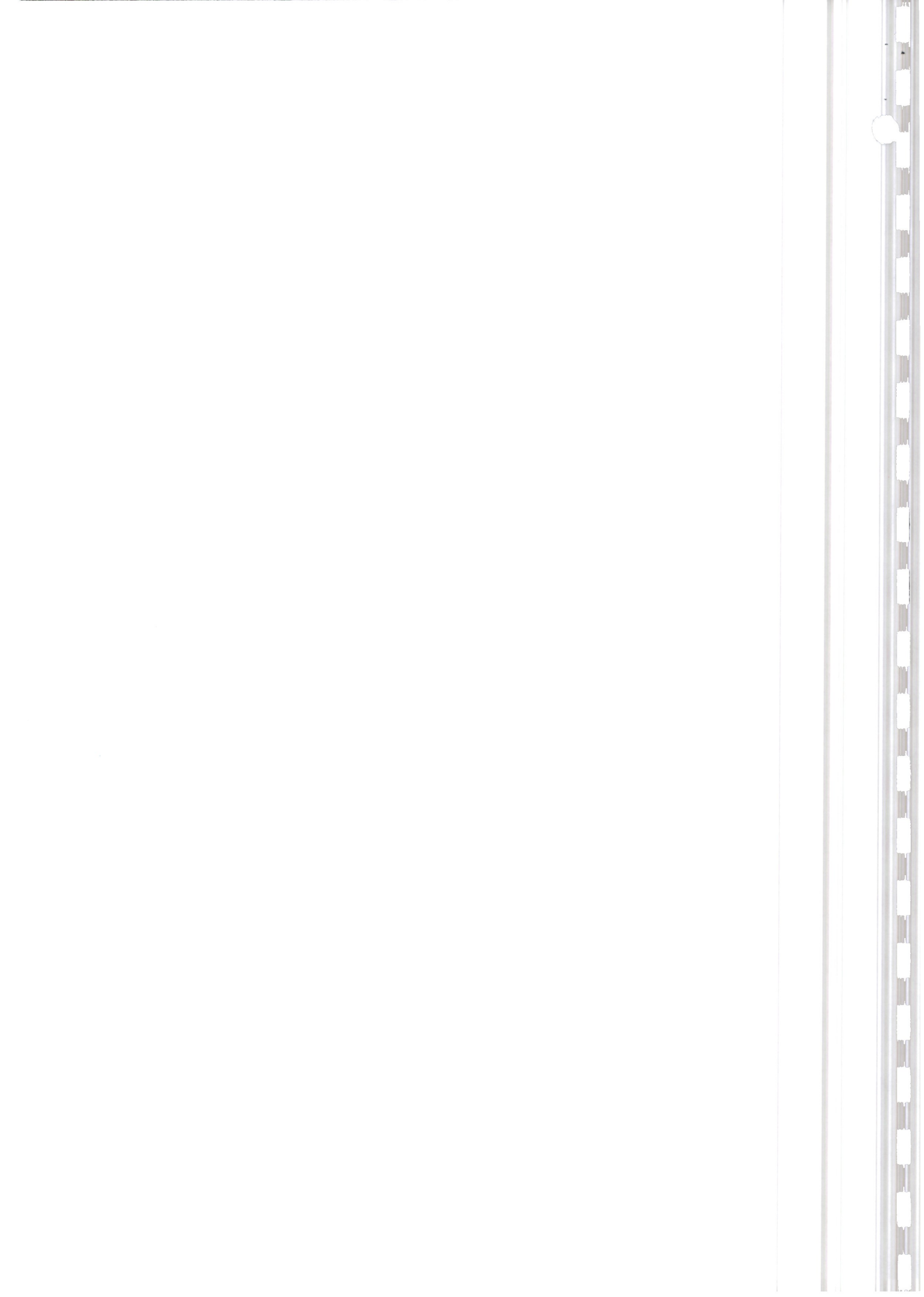
**16 February, 2022**

**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020**

**IV. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2020**

	Notes	2019-2020	2018-2019
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	6	1,000,000.00	1,000,000.00
Public contributions and donations			410,000.00
		<b><u>1,000,000.00</u></b>	<b><u>1,410,000.00</u></b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	3,630,630.00	554,415.00
Other income	8	5,000.00	1,970,678.00
<b>Revenue from exchange transactions</b>		<b><u>3,635,630.00</u></b>	<b><u>2,525,093.00</u></b>
<b>Total revenue</b>		<b><u>4,635,630.00</u></b>	<b><u>3,935,093.00</u></b>
<b>Expenses</b>			
Use of goods and services	9	862,786.00	6,970.00
Employee costs	10	480,300.00	55,500.00
Remuneration of directors	11	298,000.00	112,435.00
Depreciation and amortization expense		0.00	
Repairs and maintenance	12	271,674.00	165,600.00
Contracted services	13	658,000.00	1,733,579.00
General expenses	14	2,738,559.00	986,878.00
<b>Total expenses</b>		<b><u>5,309,319.00</u></b>	<b><u>3,060,962.00</u></b>
deficit/surplus		<b><u>(673,689.00)</u></b>	<b><u>874,131.00</u></b>

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



**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020

**V. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE, 2020**

	Notes	2019-2020	2018-2019
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	1,008,119.00	788,894.00
Current portion of receivables from exchange transactions	16	1,286,570.00	156,320.00
Current portion of receivables from non exchange transactions			1,000,000.00
<b>Non-current assets</b>		<b>2,294,689.00</b>	<b>1,945,214.00</b>
Property, plant and equipment		0.00	0.00
		<b>2,294,689.00</b>	<b>1,945,214.00</b>
<b>Total assets</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	17	2,094,247.00	1,071,083.00
		<b>2,094,247.00</b>	<b>1,071,083.00</b>
		<b>200,442.00</b>	<b>874,131.00</b>
<b>Total liabilities</b>			
<b>Net assets</b>			
Reserves			
Accumulated surplus		200,442.00	<b>874,131.00</b>
Capital Fund		0.00	0.00
<b>Total net assets and liabilities</b>		<b>200,442.00</b>	<b>874,131.00</b>

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

*[Signature]*  
Chairman of Board of Governors

Finance Officer

ICPAK No

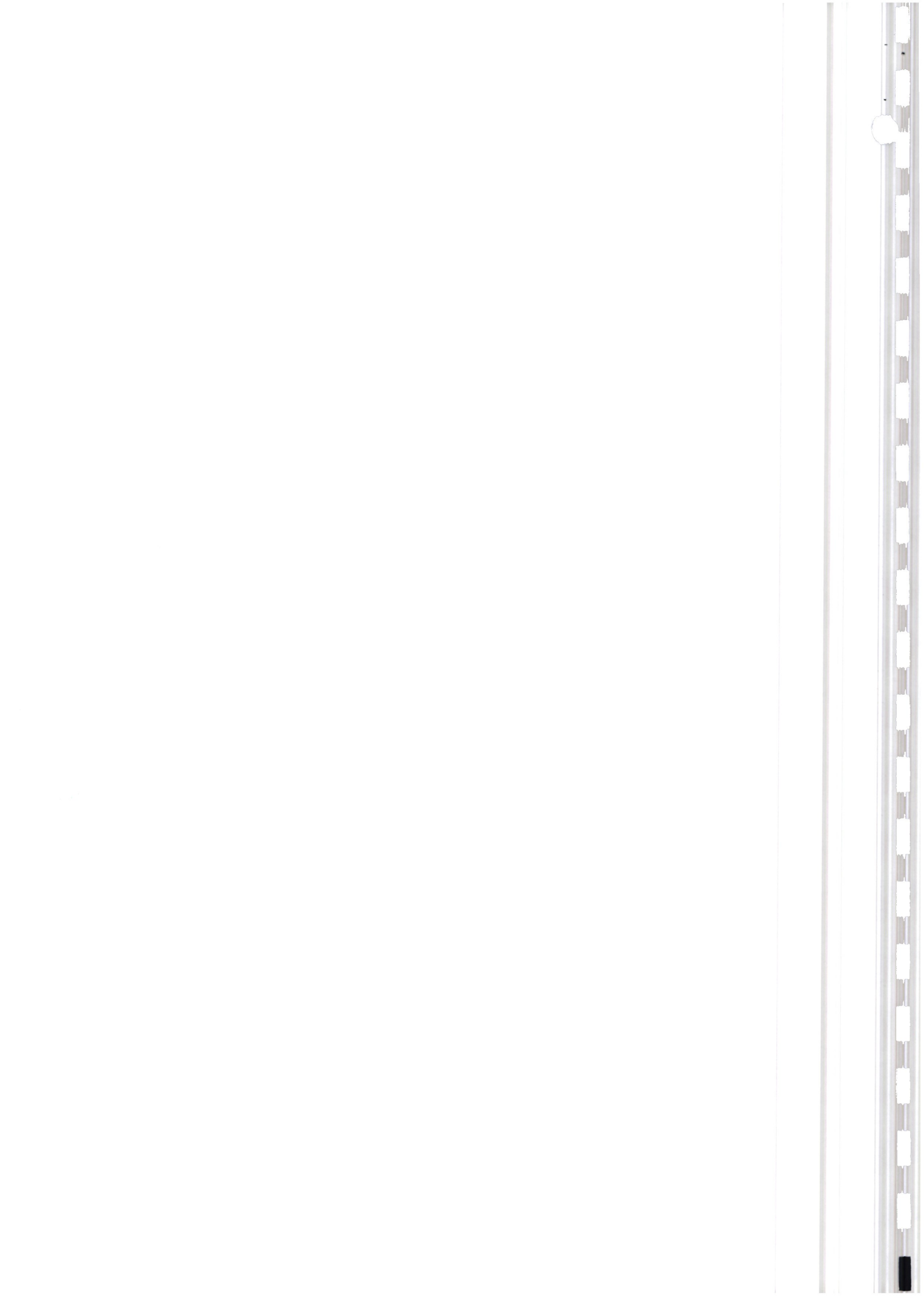
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Date.....30/9/2020

Principal

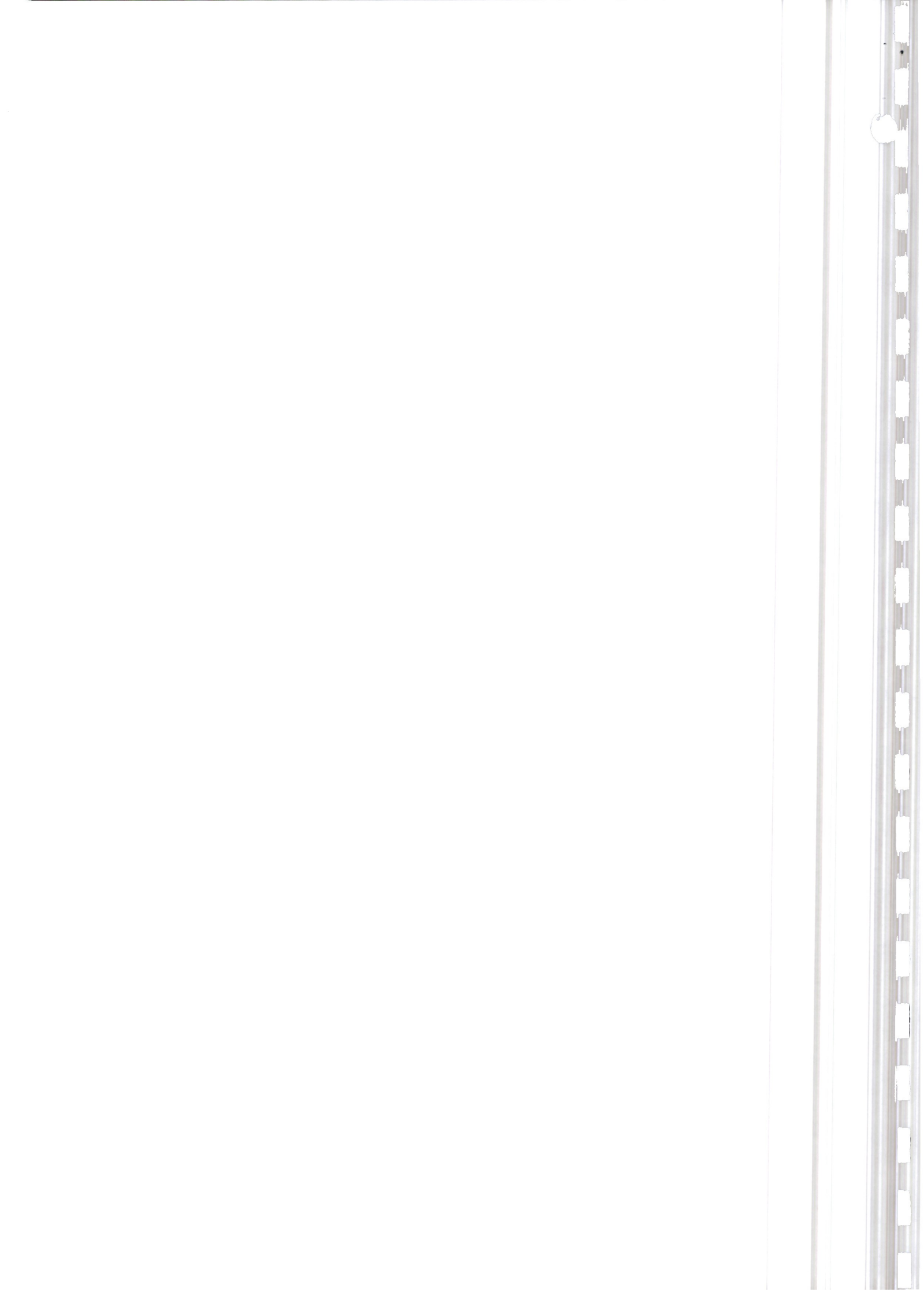
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**VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE, 2020**

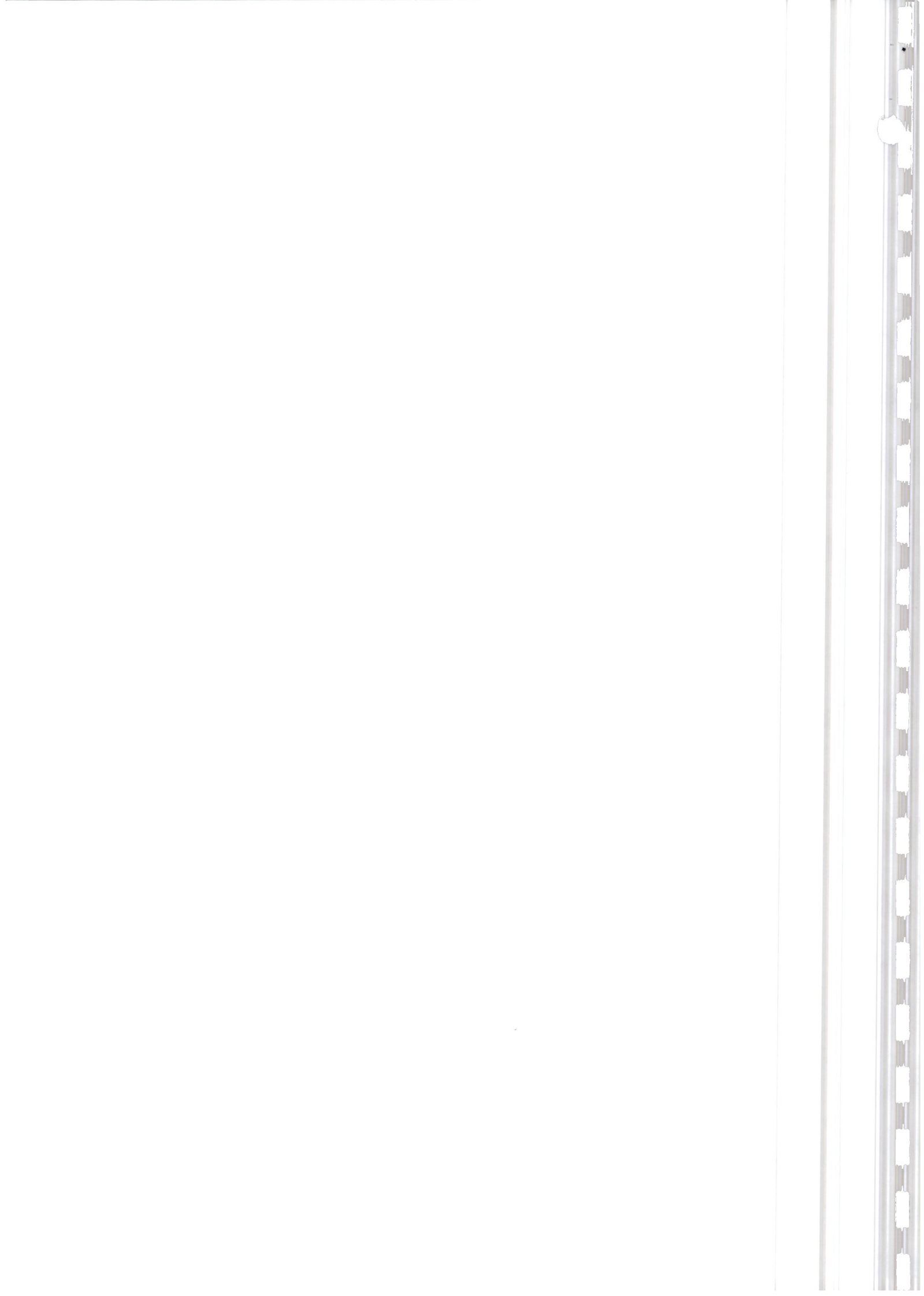
	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
<b>At July 1, 2018</b>					
Revaluation gain					
Fair value adjustment on quoted investments					
Total comprehensive income			874,131.00		874,131.00
Capital/Development grants received during the year					
Transfer of depreciation/amortisation from capital fund to retained earnings					
<b>At June 30, 2019</b>					
<b>At July 1, 2019</b>					
Revaluation gain					
Fair value adjustment on quoted investments					
Total comprehensive loss			(673,689.00)		(673,689.00)
Capital/Development grants received during the year					
Transfer of depreciation/amortisation from capital fund to retained earnings					
<b>At June 30, 2020</b>			200,442.00		200,442.00



**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020**

**VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019-2020 Kshs	2018-2019 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the National Government – grants/ gifts in kind	6	1,000,000.00	1,000,000.00
Public contributions and donations		0.00	410,000.00
Rendering of services- Fees from students	7	3,630,630.00	554,415.00
Other income	8	5,000.00	1,970,678.00
<b>Total revenue</b>		<b><u>4,635,630.00</u></b>	<b><u>3,935,093.00</u></b>
<b>Expenses</b>			
Use of goods and services	10	862,786.00	6,970.00
Employee costs	11	480,300.00	55,500.00
Remuneration of directors	12	298,000.00	112,435.00
Depreciation and amortization expense		0.00	
Repairs and maintenance	13	271,674.00	165,600.00
Contracted services	14	658,000.00	1,733,579.00
General expenses		2,738,559.00	986,878.00
<b>Total expenses</b>		<b><u>5,309,319.00</u></b>	<b><u>3,060,962.00</u></b>
		<b><u>(673,689.00)</u></b>	<b><u>874,131.00</u></b>
<b>Net cash flows from operating activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at 1 JULY 2019		788,894.00	
<b>Cash and cash equivalents at 30 JUNE 2020</b>	15	<b><u>1,008,119.00</u></b>	<b><u>788,894.00</u></b>



**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020

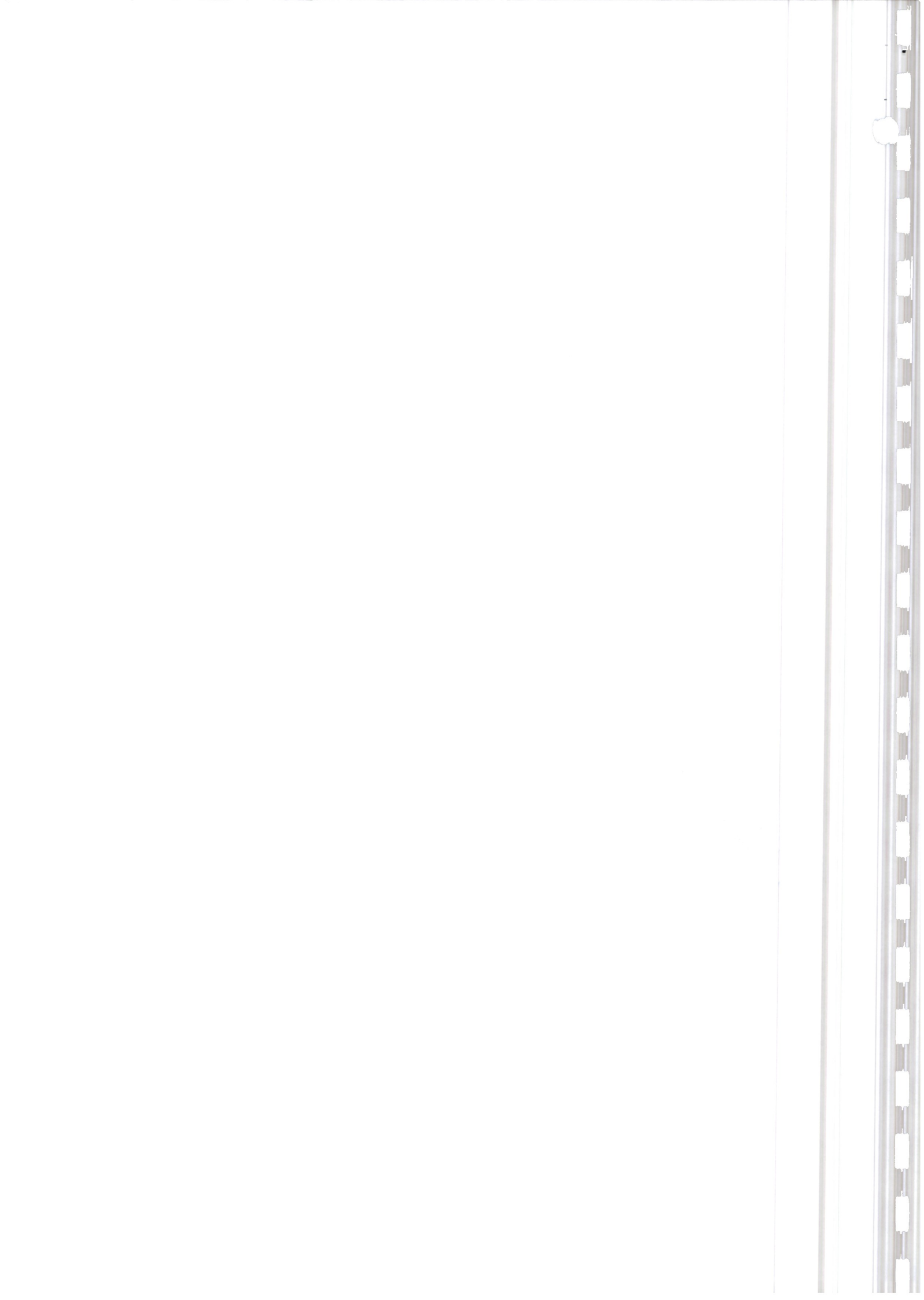
**VIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Receipts</b>					
Transfers from the National Government – grants/ gifts in kind				1,000,000.00	-1,000,000.00
Rendering of services- Fees from students	8,770,400.00	0.00	8,770,400.00	3,630,630.00	5,139,770.00
Other income				5,000.00	-5,000.00
<b>Total revenue</b>	<b><u>8,770,400.00</u></b>	0.00	<b><u>8,770,400.00</u></b>	<b><u>4,635,630.00</u></b>	
<b>Expenses</b>					
Use of goods and services	1,546,840.00	0.00	1,546,840.00	862,786.00	684,054.00
Employee costs	1,514,400.00	0.00	1,514,400.00	480,300.00	1,034,100.00
Remuneration of directors	560,000.00	0.00	560,000.00	298,000.00	262,000.00
Depreciation and amortization expense				0.00	0.00
Repairs and maintenance	551,400.00	0.00	551,400.00	271,674.00	279,726.00
Contracted services		0.0		658,000.00	-658,000.00
General expenses	4,597,560.00	0.00	4,597,560.00	2,738,559.00	1,859,001.00
<b>Total expenses</b>	<b><u>8,770,400.00</u></b>	0.00	<b><u>8,770,400.00</u></b>	<b><u>5,309,319.00</u></b>	
				<b><u>(673,689.00)</u></b>	

**Budget notes**

7. The covid 19 pandemic lead to the suspension of the learning and eventually affecting the collection of the projected revenues from students in the 4<sup>th</sup> quarter and also re directing of the resources towards putting up structures to fight COVID 19 Pandemic

02/06/20  
  
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**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE,**  
**2020**

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Kieni is established by and derives its authority and accountability from TVET Act. The Kieni is wholly owned by the Government of Kenya and is domiciled in Kenya. The Kieni's principal activity is Technical & vocational college.

**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 Kieni accounting policies.

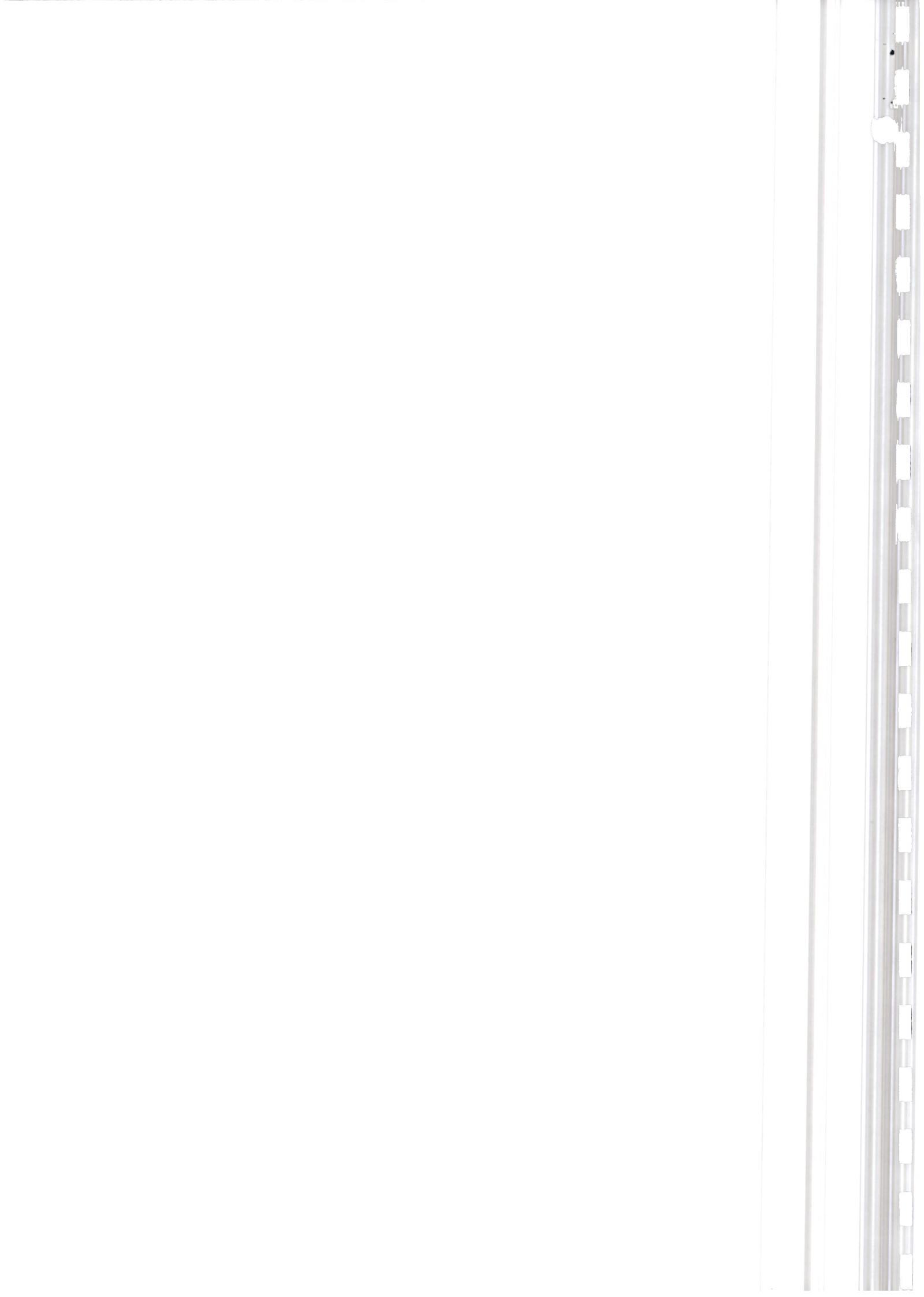
The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Kieni.

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

**3. ADOPTION OF NEW AND REVISED STANDARDS**

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020**

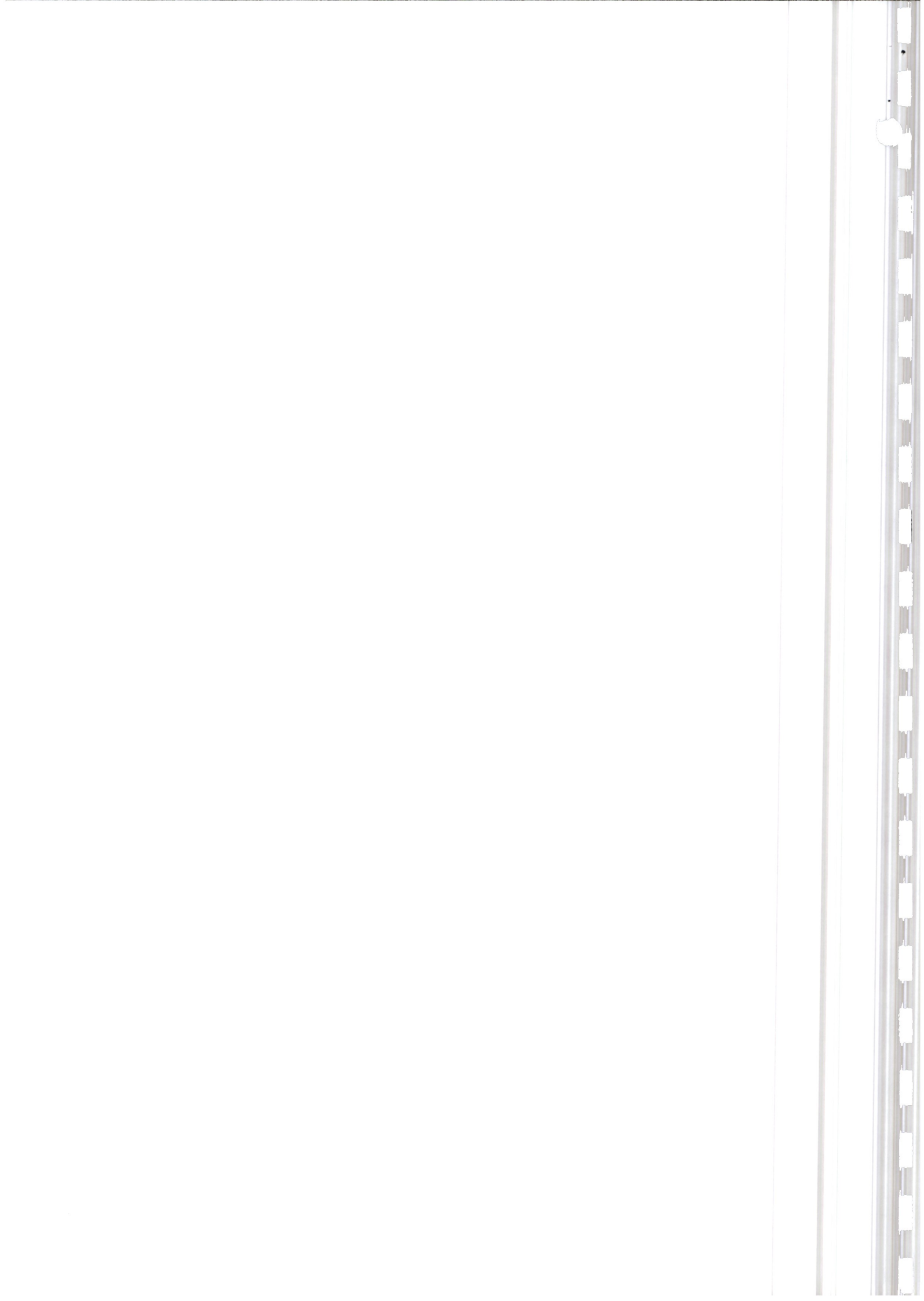
<b>Standard</b>	<b>Impact</b>
<b>IPSAS 40:</b> Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2019</b> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.



**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE,  
2020

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020**

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an kieni's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between kieni's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting kieni 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"> <li>(a) The nature of such social benefits provided by the kieni;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the kieni's financial performance, financial position and cash flows.</li> </ol>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2022:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted</li> </ol>



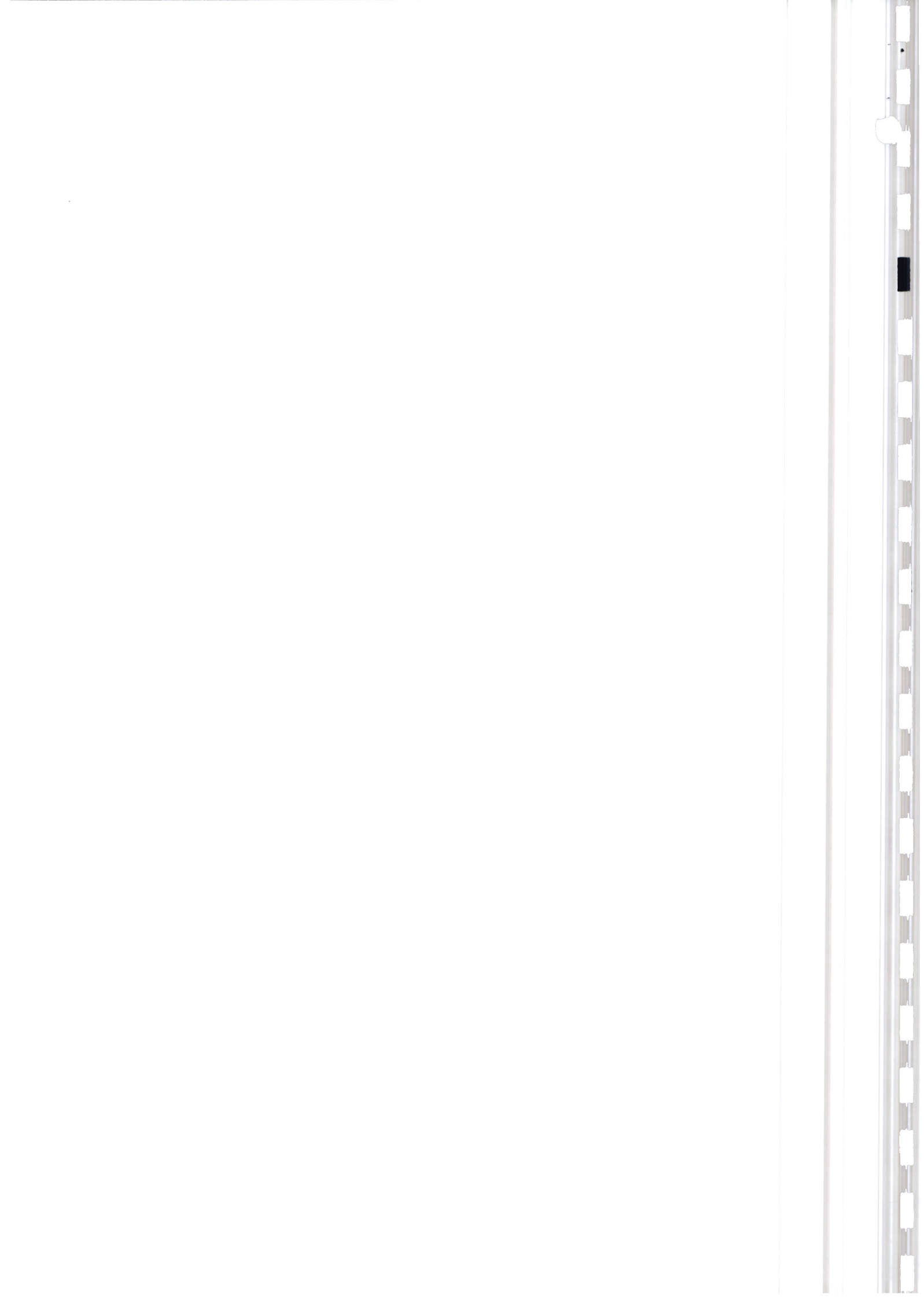
**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE,**  
**2020**

Standard	Effective date and impact:
	<p>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>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p> <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.</p> <p>Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

**iii. Early adoption of standards**

The kieni did not early – adopt any new or amended standards in year ended on 30<sup>th</sup> June 2020.


  
 KIENI TECHNICAL AND VOCATIONAL COLLEGE  
 P.O. BOX 516 RIGANJO  
 Tel: 0791917471  
 Sign.....Date.....



**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE,  
2020

**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 kieni and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

**ii) Revenue from exchange transactions**

**Rendering of services**

The kieni 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**

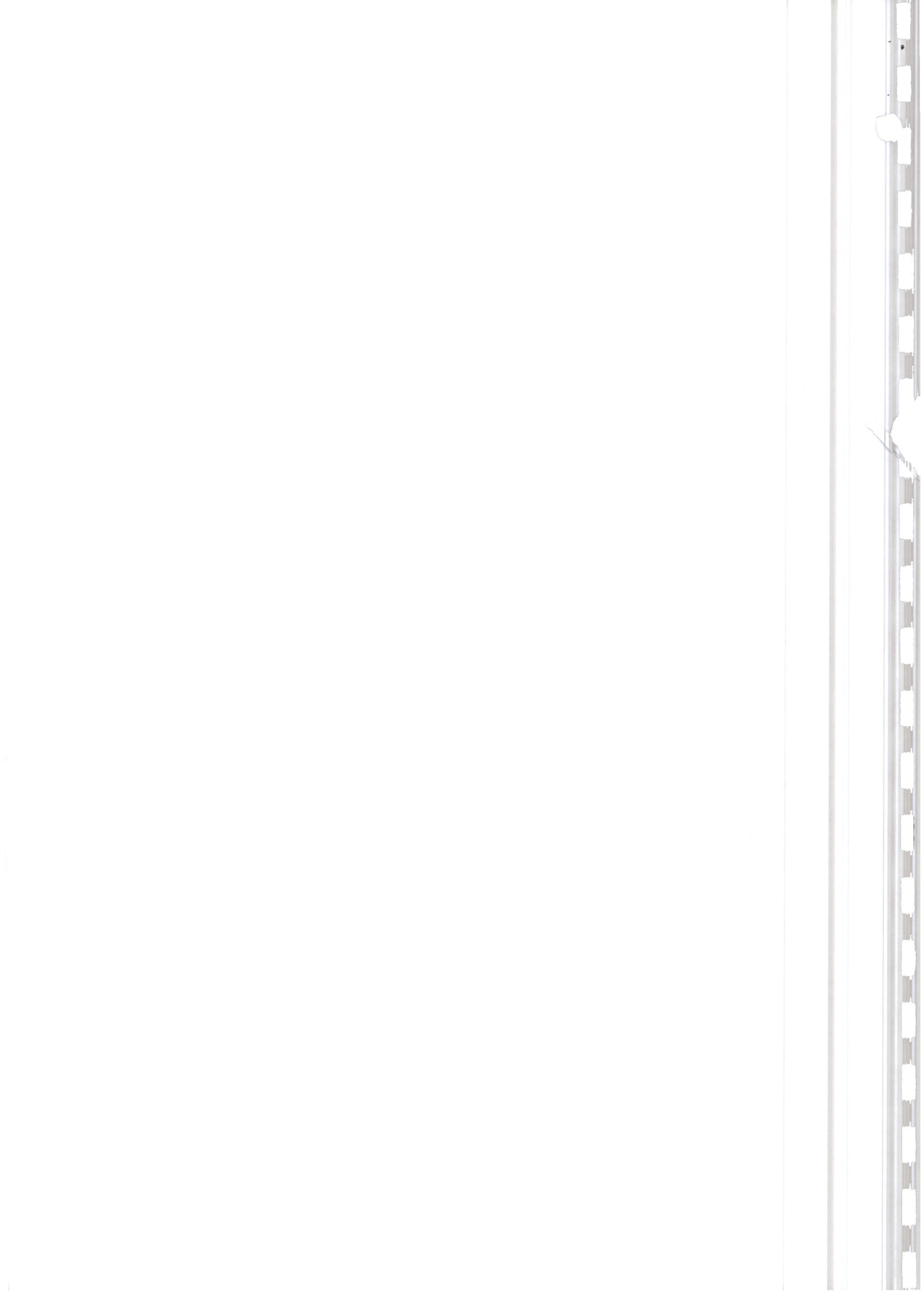
Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with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

**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 kieni's right to receive payments is established.



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**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

**ii) Revenue from exchange transactions**

**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 2019/2020 was approved by the Council or Board in Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

The kieni'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.

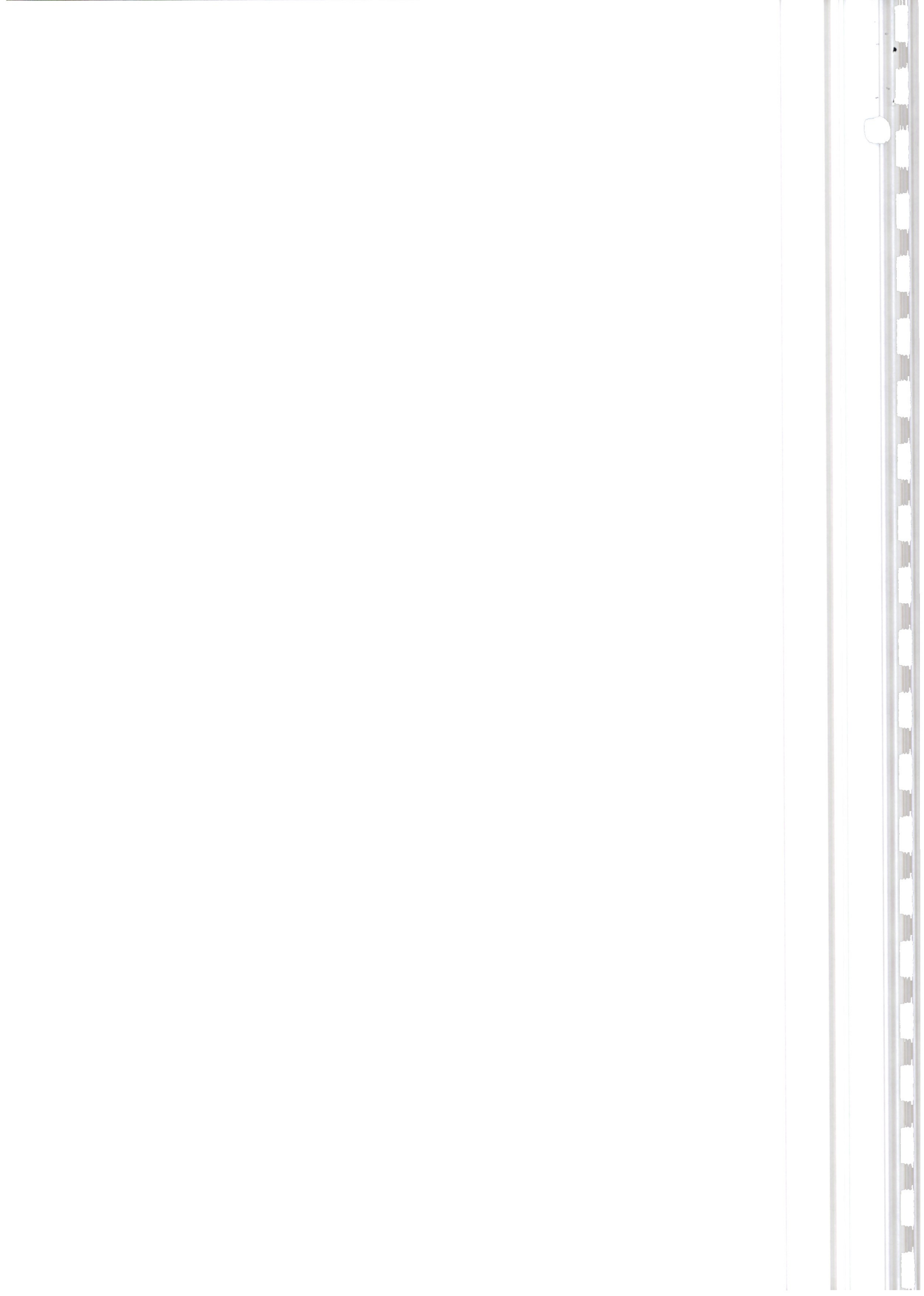
In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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 .x.x of these financial statements.

**c) Taxes**

***Current income tax***

The kieni TVC is exempt from paying taxes.



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**4 Property, plant and equipment**

All property, plant and equipment were donated by the MOE through the prequalified supplier however, the no supporting document has been provided by the ministry that shows the total cost of the equipments

**i) Inventories**

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

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

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

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

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

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

**j) Provisions**

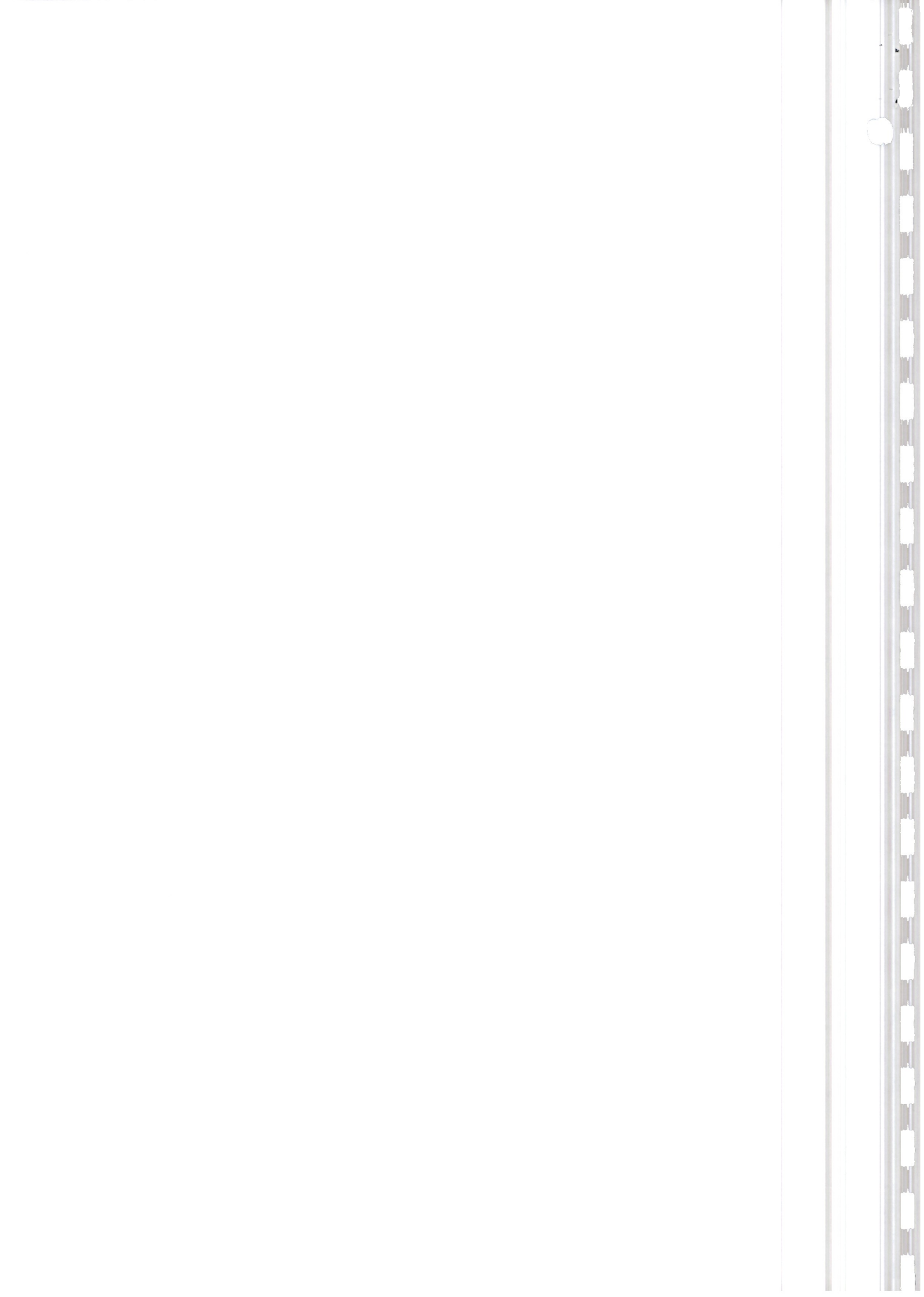
Provisions are recognized when the Kieni has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount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

Where the Kieni 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 Kieni 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.



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***Contingent assets***

The Kieni 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 Kieni in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**k) Nature and purpose of reserves**

The Kieni TVC does not create and maintain reserves

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

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

**m) Related parties**

The Kieni 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 Kieni, or vice versa. Members of key management are regarded as related parties and comprise the board of governors, the accounting officer and senior managers.

**n) Cash and cash equivalents**

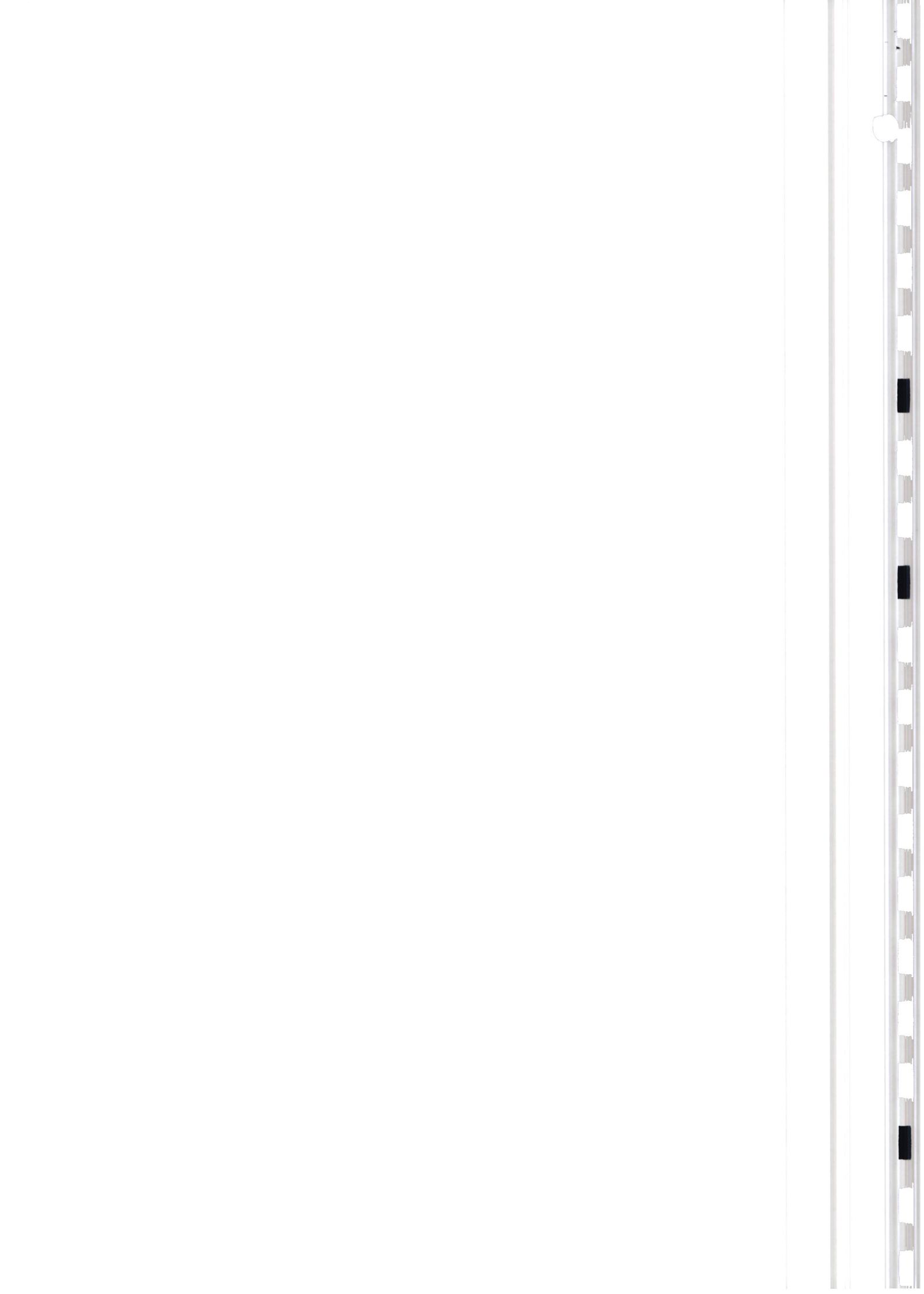
Cash and cash equivalents comprise cash on hand and cash at bank.

**o) Comparative figures**

Where necessary comparative figures for the previous financial year have not been amended or reconfigured to conform to the required changes in presentation.

**p) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.



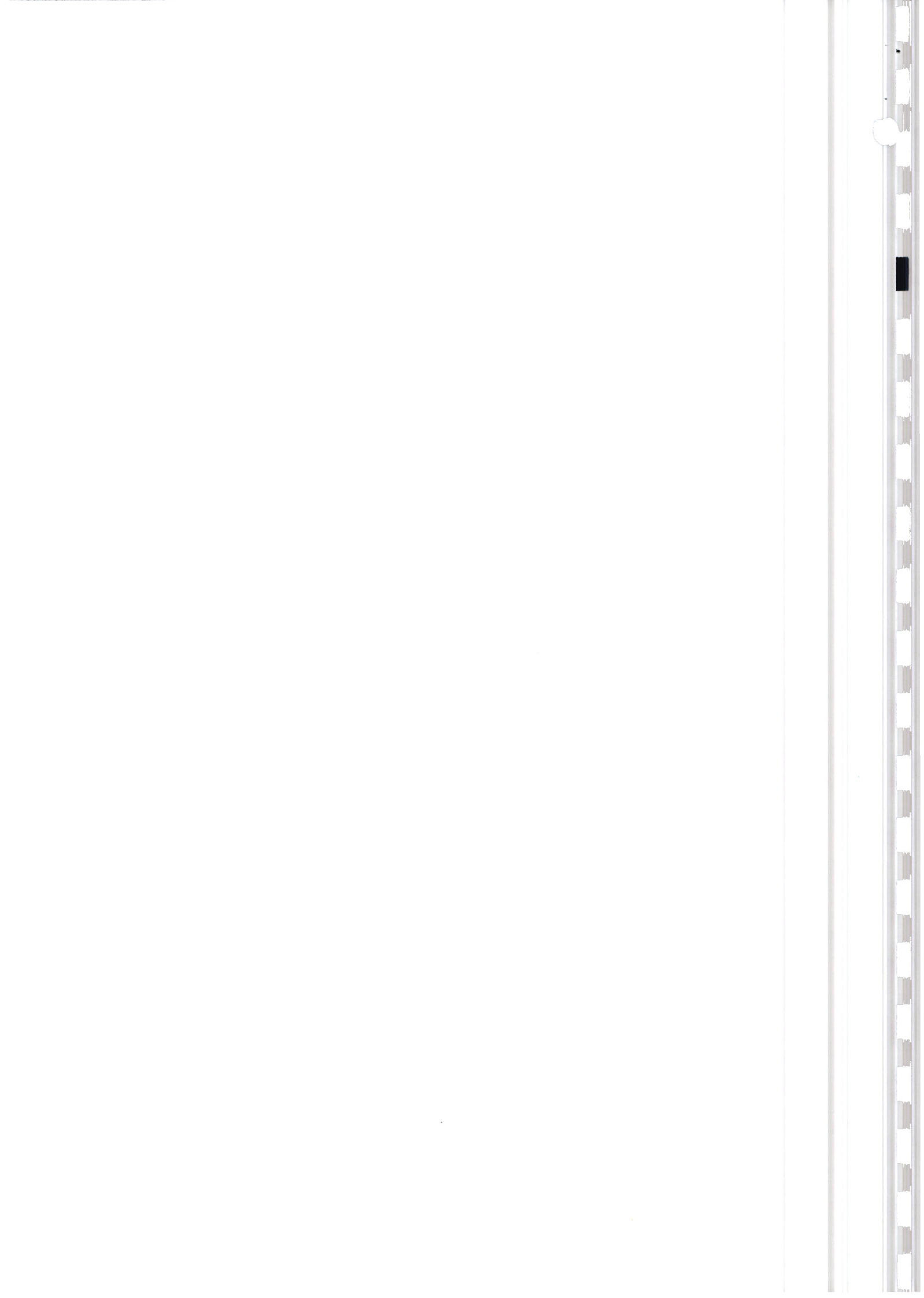
**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
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**4 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Kieni'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 Kieni 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 Kieni. Such changes are reflected in the assumptions when they occur. IPSAS 1.140



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**5 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
<b>Unconditional grants</b>		
Operational grant	1,000,000.00	1,000,000.00
<b>Total government grants and subsidies</b>	<b>1,000,000.00</b>	<b>1,000,000.00</b>

**5b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES**

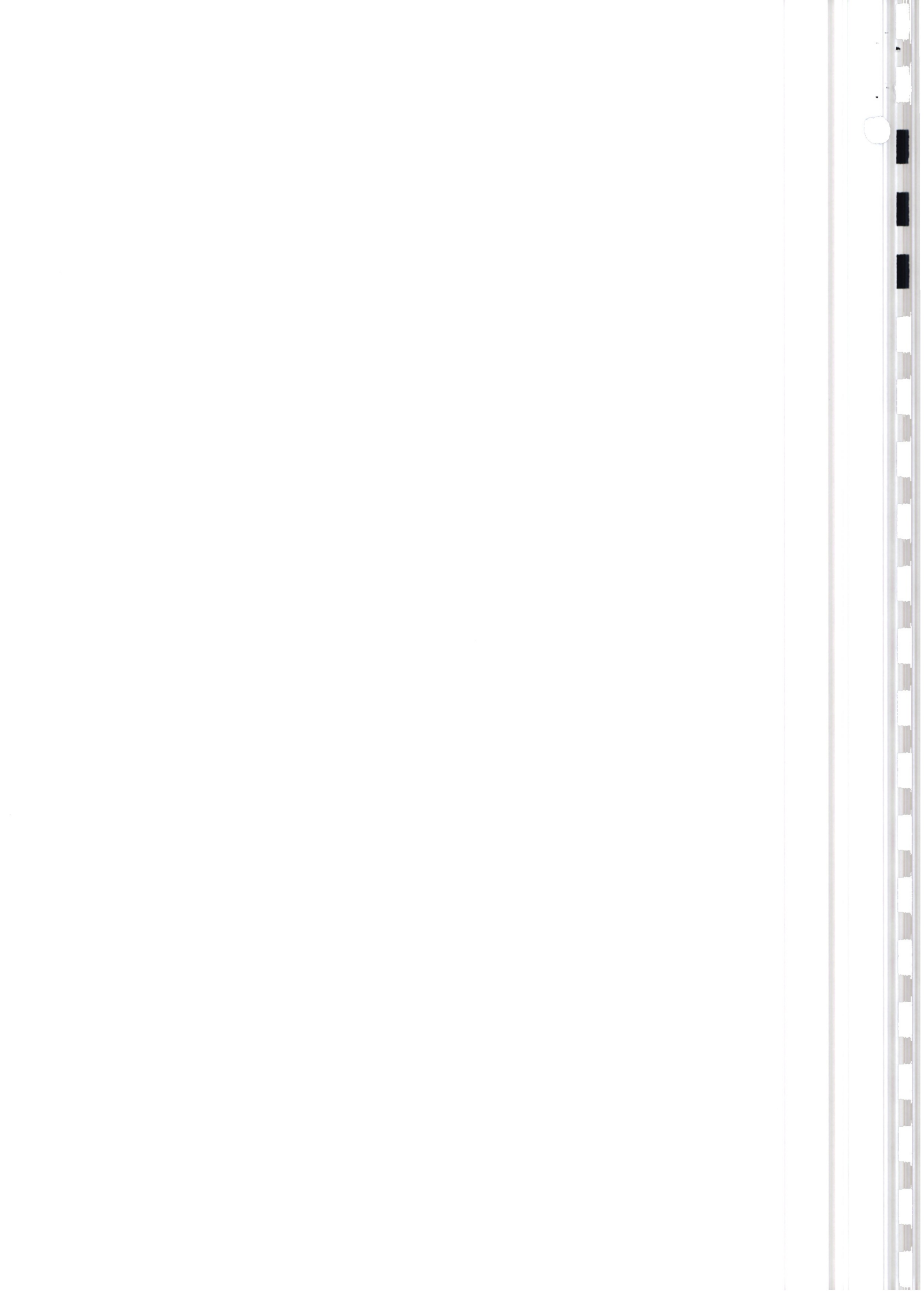
MOE	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2019-2020 KShs
MoE	1,000,000.00	000.00	000.00	000.00	1,000,000.00
<b>Total</b>	<b>1,000,000.00</b>	<b>000.00</b>	<b>000.00</b>	<b>000.00</b>	<b>1,000,000.00</b>

**6 RENDERING OF SERVICES**

Description	2019-2020	2018-2019
	KShs	KShs
S.E.S/TUTION	1,571,340.00	53,095.00
ADMINSTRATION	643,013.00	53,340.00
P.EMOLUMENT	265,632.00	51,480.00
L. T & T	81,149.00	16,100.00
E.W.C	89,940.00	18,720.00
R M I	129,701.00	32,760.00
ACTIVITY	125,257.00	15,600.00
STUDENT WELFARE	46,786.00	6,120.00
INSURANCE	55,657.00	20,280.00
MATERIAL FEES/PRACTICAL	211,810.00	43,680.00
NITA	142,445.00	196,740.00
REGISTRATION	65,860.00	10,500.00
EXAM	179,130.00	36,000.00
CAUTION	22,910.00	0.00
<b>Total revenue from the rendering of services</b>	<b>3,630,630.00</b>	<b>554,415.00</b>

**7 OTHER INCOME**

Description	2019-2020	2018-2019
	Kshs	Kshs
COMPUTER PACKAGE	5,000.00	
MATHENGE TVC		986,878.00
KATTI ACTIVITY		983,800.00
<b>Total other income</b>	<b>5,000.00</b>	<b>1,970,678.00</b>



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**8 USE OF GOODS AND SERVICES**

Description	2019-2020	2018-2019
	Kshs	Kshs
S.E.S/TUTION	862,786.00	
<b>Total good and services</b>	<b>862,786.00</b>	

**9 EMPLOYEE COSTS**

Description	2019-2020	2018-2019
	Kshs	Kshs
Salaries and wages	480,300.00	993,848.00
<b>Employee costs</b>	<b>480,300.00</b>	<b><u>993,848.00</u></b>

**10 REMUNERATION OF DIRECTORS**

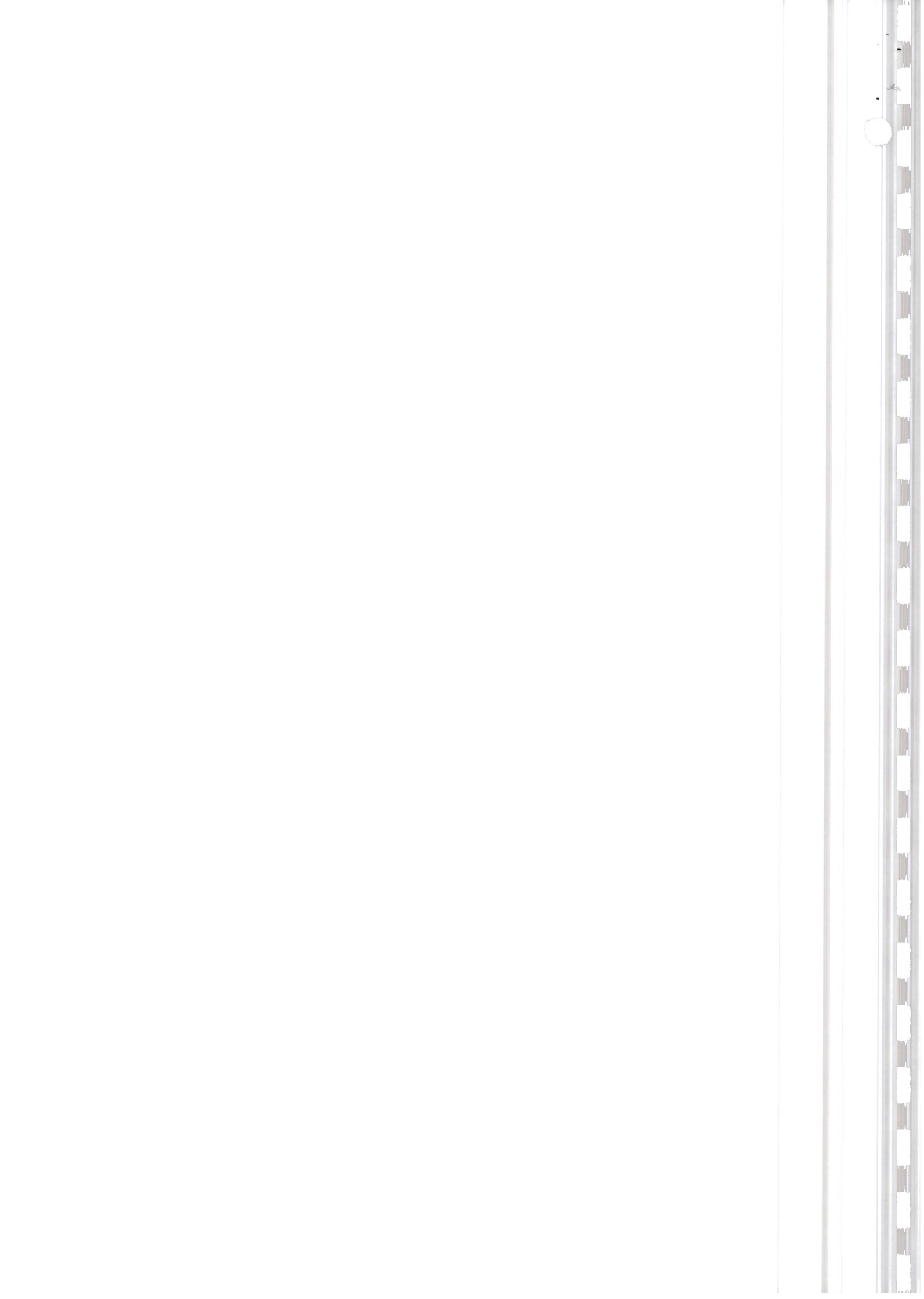
Description	2019-2020	2018-2019
	KShs	KShs
BOG ALLOWANCES	238,000.00	0.00
OTHER ALLOWANCES	60,000.00	0.00
<b>Total director emoluments</b>	<b>298,000.00</b>	<b>0.00</b>

**11 DEPRECIATION AND AMORTIZATION EXPENSE**

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	0.00	0.00
Intangible assets	0.00	0.00
Investment property carried at cost	0.00	0.00
<b>Total depreciation and amortization</b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>

**12 REPAIRS AND MAINTENANCE**

Description	2019-2020	2018-2019
	KShs	KShs
General repairs	271,674.00	
<b>Total repairs and maintenance</b>	<b>271,674.00</b>	



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**14 CONTRACTED SERVICES**

Description	2019-2020	2018-2019
	KShs	KShs
SECURITY SERVICES	658,000.00	165,600.00
<b>Total contracted services</b>	<u>658,000.00</u>	<u>165,600.00</u>

**15 GENERAL EXPENSES**

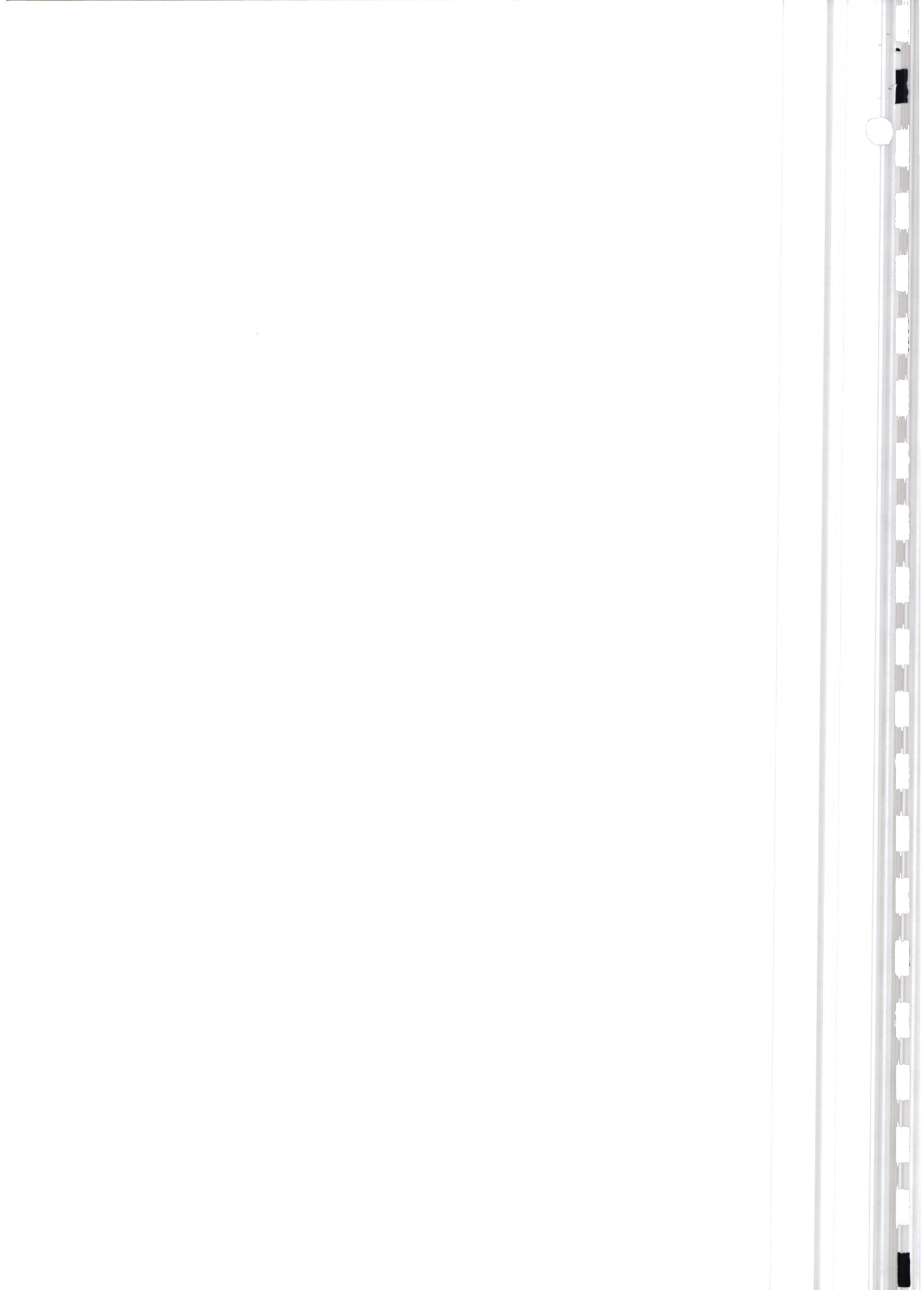
Description	2019-2020	2018-2019
	KShs	KShs
ADMINISTRATION	1,937,500.00	114,830.00
L. T & T	327,020.00	65,760.00
E.W.C	139,000.00	3,400.00
ACTIVITY	72,700.00	694,931.00
MATERIAL FEES/PRACTICAL	26,669.00	854,658.00
NITA	95,000.00	0.00
EXAM	9,650.00	0.00
MARKETING	48,790.00	0.00
BNK CHARGES	2,230.00	0.00
KUCCPS	80,000.00	0.00
<b>Total grants and subsidies</b>	<u>2,738,559.00</u>	<u>1,733,579.00</u>

**16 CASH AND CASH EQUIVALENTS**

Description	2019-2020	2018-2019
	KShs	KShs
Cash	92,192.00	152,394.00
Current account	915,927.00	636,500.00
<b>Total cash and cash equivalents</b>	<u>1,008,119.00</u>	<u>788,894.00</u>

**16 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS**

Financial institution	Account number	2019-2020	2018-2019
		KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank		915,927.00	636,500.00
<b>Sub- total</b>		915,927.00	636,500.00
<b>b) Others(specify)</b>			
cash in hand		92,192.00	152,394.00
<b>Sub- total</b>		92,192.00	152,394.00
<b>Grand total</b>		<u>1,008,119.00</u>	<u>788,894.00</u>



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**17 RECEIVABLES FROM EXCHANGE TRANSACTIONS**

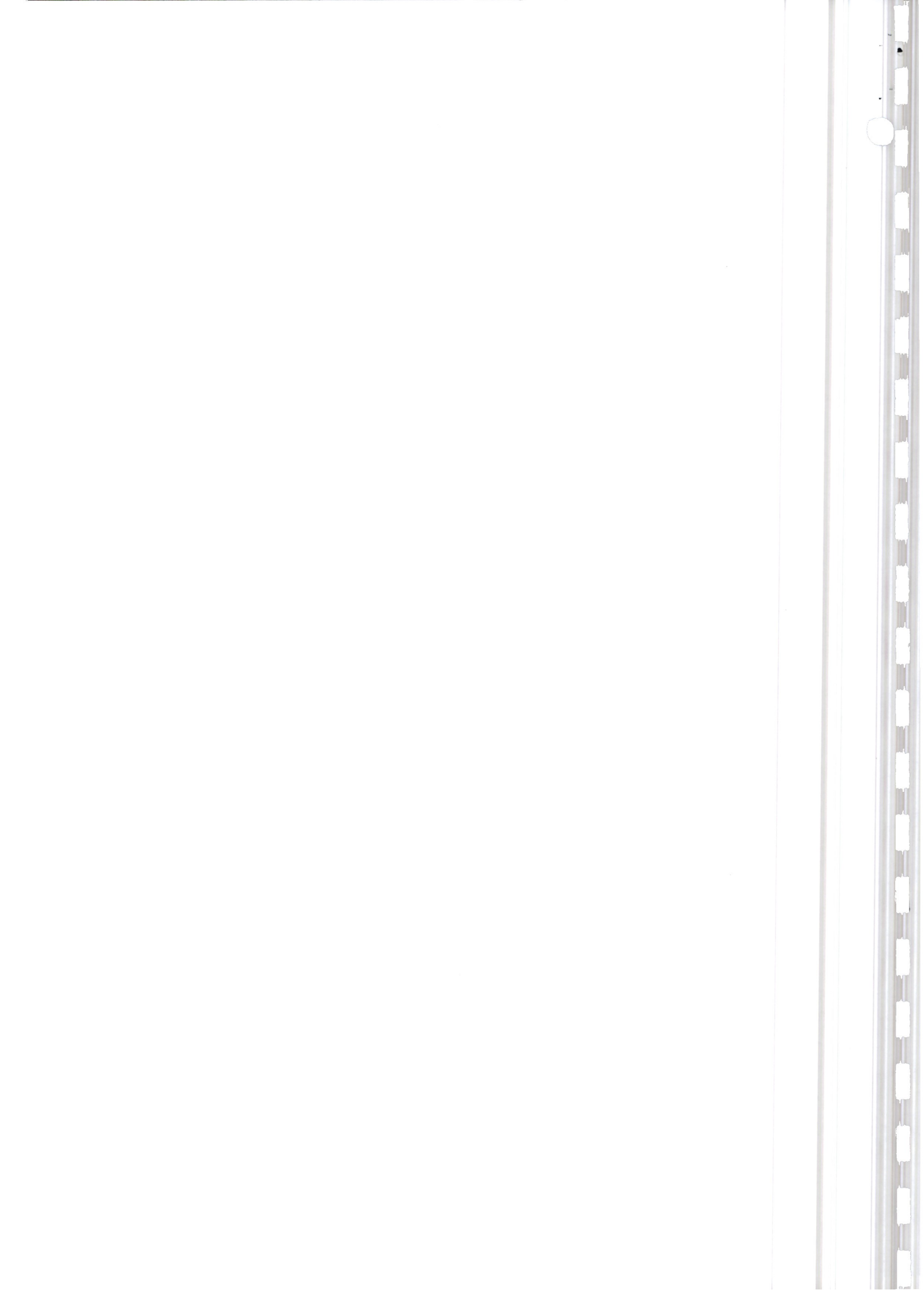
27(a)

Description	2019-2020	2018-2019
	KShs	KShs
<b>Current receivables</b>		
Student debtors	1,130,250.00	156,320.00
<b>Total current receivables</b>	1,130,250.00	<b><u>156,320.00</u></b>

**18 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	2019-2020	2018-2019
	KShs	KShs
Trade payables	2,059,854.00	1,062,878.00
Fees paid in advance	189,310.00	8,205.00
<b>Total trade and other payables</b>	<b>2,249,164.00</b>	<b><u>1,071,083.00</u></b>

Tel: 0791917911  
 Sign: *ghet* Date: 30/9/2020



**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
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**19 RELATED PARTY BALANCES**

**Nature of related party relationships**

Entities and other parties related to the kieni include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

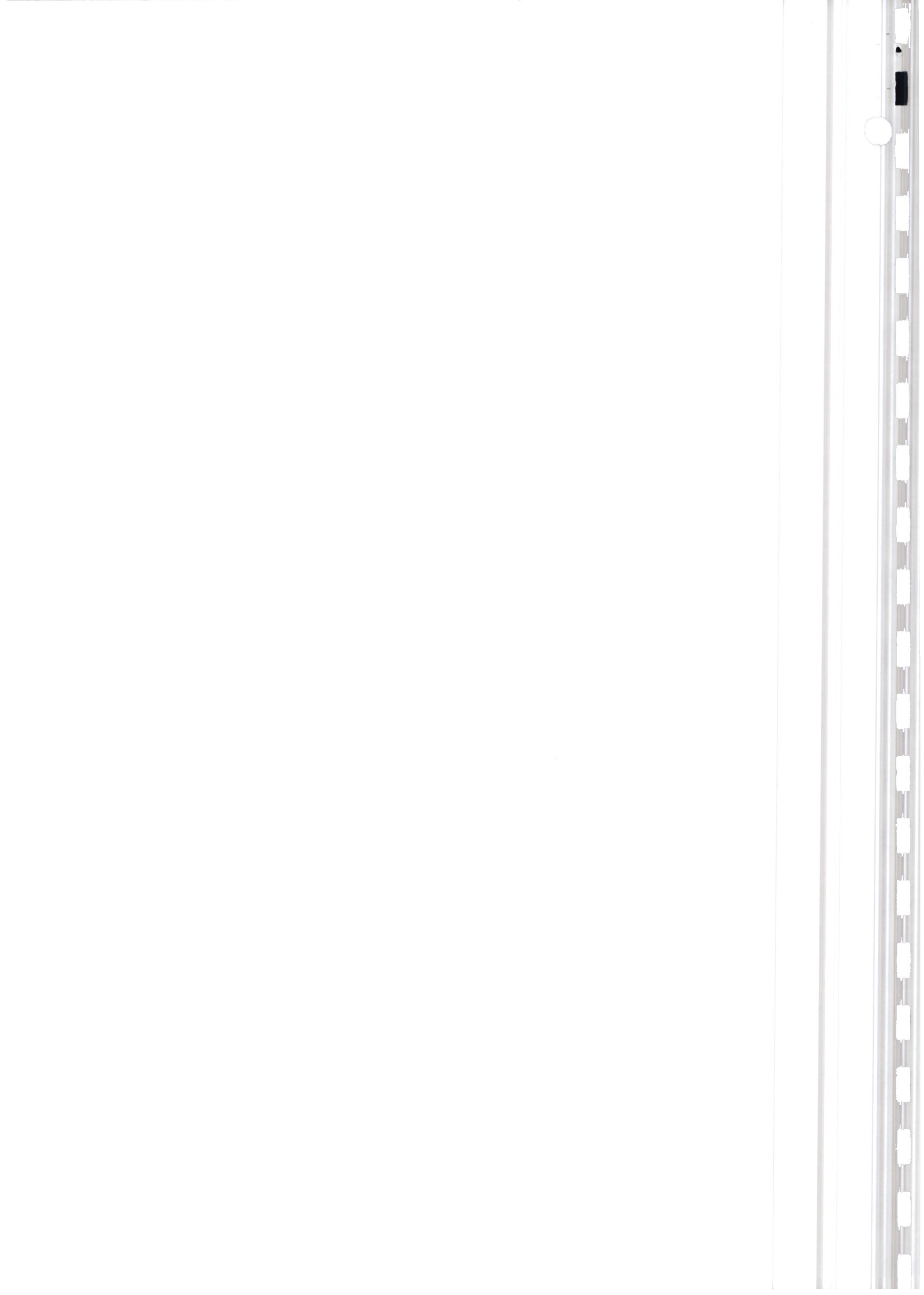
**Government of Kenya**

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) County government
- iv) Key management;
- v) Board of directors;

	2019-2020	2018-2019
	KShs	KShs
<b>Transactions with related parties</b>		
<b>a) Grants from the Government</b>		
Grants from National Govt	1,000,000.00	1,000,000.00
Grants from County Government		410,000.00
<b>Total</b>	<b><u>1,000,000.00</u></b>	<b><u>1,410,000.00</u></b>
<b>b) Key management compensation</b>		
Directors' emoluments	298,000.00	0.00
<b>Total</b>	<b>298,000.00</b>	<b>0.00</b>

KIENI TECHNICAL COLLEGE  
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Tel: 0791917471  
Sign



**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
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**20 EVENTS AFTER THE REPORTING PERIOD**

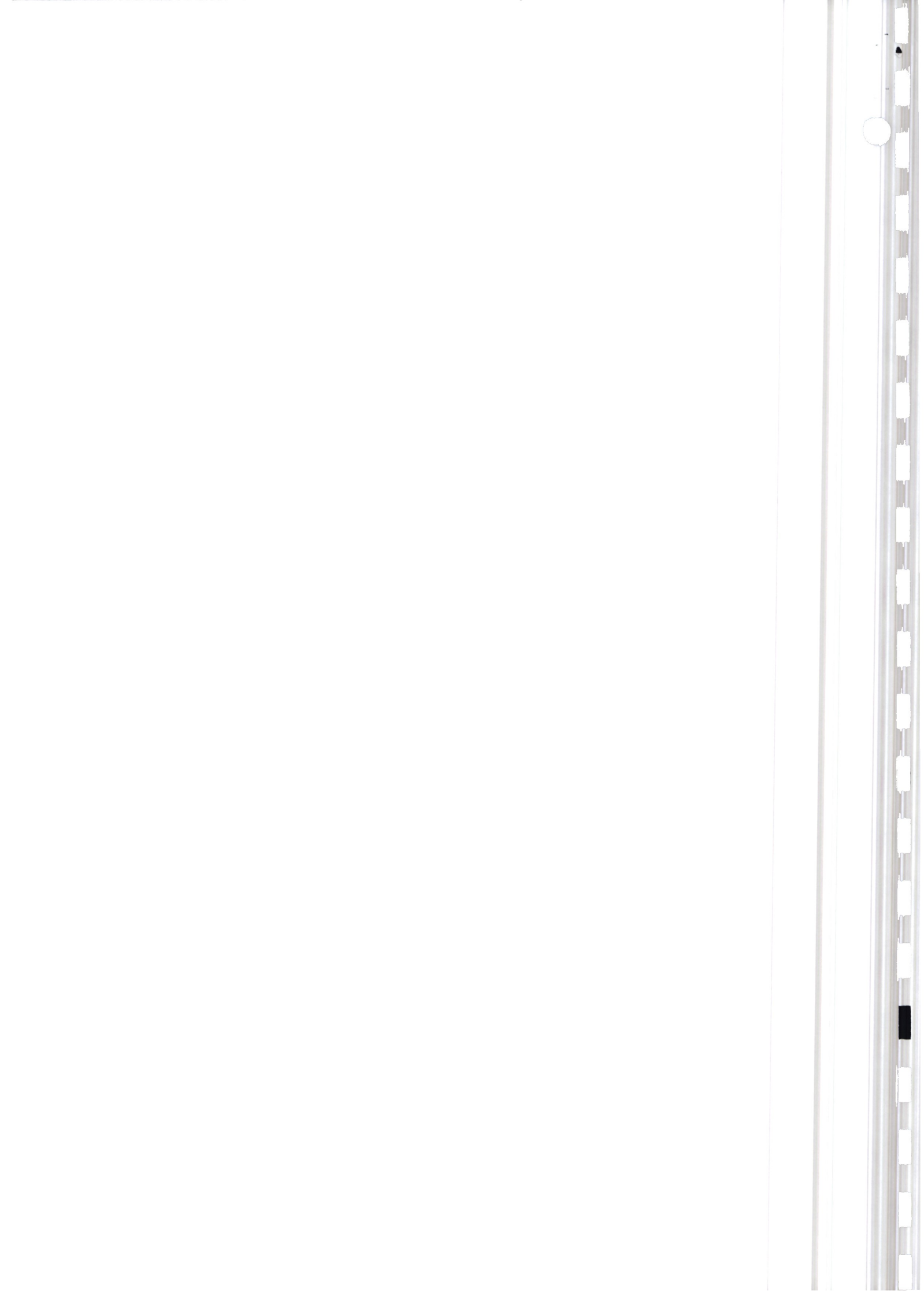
There were no material adjusting and non- adjusting events after the reporting period.

**21 ULTIMATE AND HOLDING KIENI**

The kieni is a TVET institution under the Ministry of education. Its ultimate parent is the Government of Kenya.

**22 Currency**

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



**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
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**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

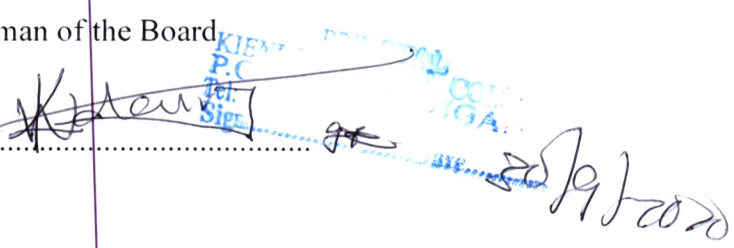
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

**Guidance Notes:**

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

Chairman of the Board

Date





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**APPENDIX II: PROJECTS IMPLEMENTED BY THE COLLEGE**


College does not have any ongoing project

**APPENDIX III: INTER-COLLEGE TRANSFERS**

<b>KIENI NAME:</b>				
<b>Break down of Transfers from the State Department of Technical Training Institute</b>				
<b>FY 2019/2020</b>				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		07/5/2020	700,000.00	2019/2020
		22/6/2020	300,000.00	2019/2020
			1,000,000.00	

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

Principal

Sign 


Principal  
 P.O. Box 316  
 Tel: 0791917471  
 Sign.....Date.....



**KIENI TECHNICAL AND VOCATIONAL COLLEGE**  
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**APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Total Transfers during the Year
	as per bank statement							
Ministry of Education	07/5/2020	Recurrent	700,000.00	700,000.00				700,000.00
Ministry of Education	22/6/2020	Recurrent	300,000.00	300,000.00				300,000.00
<b>Total</b>			1,000,000.00	1,000,000.00				1,000,000.00

  
 KIENI TECHNICAL COLLEGE  
 P.O. Box 316 KIGALI RWANDA  
 Tel: 0791917471  
 Sign: ..... Date: 30/9/2020

