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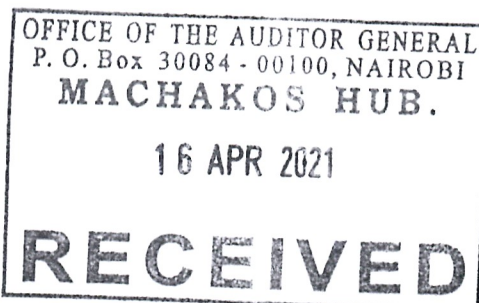
 THE NATIONAL ASSEMBLY PARLIAMENT BUILDING REPORT	
DATE:	03 MAR 2022
	DAY: <u>THUR</u>
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CHECK-AT THE-TABLE:	<u>C. Ndlovu</u>

THE AUDITOR-GENERAL

ON

**DAVID MBITI WAMBULI TECHNICAL
AND VOCATIONAL COLLEGE**

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



International Public Sector Accounting Standards (IPSAS)
Annual Financial Reporting Template for
Technical Vocational Education Training (TVET) Institutions, National Polytechnics and
Teacher Training Colleges

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
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ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2020

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

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The proposition of establishing the college started early in 2010. The government requested the local community to provide the land and then the area MP committed to fund 10m from the CDF then the government funded the rest. The government through the tendering procedures approved for the construction of college in 2012 by Admo Construction Company, the community through the TAA group proposed the college to be named David Mbiti who was the donor of the land in honor of his name. After the completion of the college the government equipped the electrical departments with machines, ICT department and the office furniture. David Mbiti Wambuli is located in Makueni County, Mbooni West Sub Country. From Machakos its located 15KM through kikima kali route. It occupies 5ha of land and is in semi-arid region. The college was officially opened in September 2018 teaching the varieties of courses, the courses offered are examined by KNEC. The college is managed by a board of governors (BOG) appointed by the cabinet secretary, Ministry of education as stipulated by the TVETA Act (January, 2013)

(b) Principal Activities

The core mandate of the college is providing the knowledge and skills to the people in the whole world.

(c) Key Management

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

- Board of council members
- Accounting officer/ Principal
- Deputy principal
- Accountant

(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	Daniel Muumbi
2.	Head of Finance	Jackson Swili
3.	Deputy Principal	Josephine Nzyoki

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(e) Fiduciary Oversight Arrangements

Finance and resource mobilization committee activities

- i. The role of the committee is to monitor the financial status of the college on behalf of the Board of Governors
- ii. To receive the reports from the principal and the assistant accountant on the financial matters of the college.
- iii. To supervise the financial administration of the institute and make the recommendations to Board of Governors where appropriate
- iv. To supervise the arrangements for safeguarding the college assets
- v. To ensure proper financial evaluation and control of projects

Academic committee activities

- i. To direct and regulate the teaching and instruction within the college subjects to the powers of the board.
- ii. To determine the academic policy and advice the board on the provision of facilities to carry out that policy.
- iii. To approve programmes of study of the college.

Risks and audit committee

- i. Financial management
- ii. Reporting of financial information to users of financial reports
- iii. Application of the accounting policies
- iv. Protection of the college assets
- v. Facilitating communication between the board of directors and internal and external auditors

Governance/strategies/human resource committee

- i. Take a strategic overview of performance in all areas of college activities.
- ii. Ensure that the board of Governance is able to take strategic decision relating to college activities.
- iii. Provide leadership in communicating the mission, vision and achievements of the college.

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

College Headquarters

DAVID M WAMBULI TVC
P.O.BOX 3308-90100
MACHAKOS

College Contacts

Telephone: 0743896827
E-mail: davidwambulitvc@gmail.com
Website: www.davidmbitiwtvc.ac.ke

College Bankers

Kenya Commercial Bank
Machakos Branch
Machakos, Kenya

Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

Principal Legal Adviser

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

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2. THE COUNCIL/BOARD OF GOVERNORS

S/N o	Governor	Title	photograph	Responsibility	Date of birth qualifications and work experience
1	Amb:Dennis Awori	Chairman		Overall management of the board of governor's activities	Date of birth:1957 BSC Aeronautical Engineering
2	Mr. Samuel Mativo	Member		Risk and Audit committee	Date of birth 1960 M.A. Economics
3	Dr. Fredrick Kasomi	Member		Finance and resource mobilization committee	Date of birth :1977 PHD in business Administration/Bachelor in economics

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4	Mr. Stephen Kyande	Member		Finance and resource mobilization committee	Date of birth: 1964 MBA strategic management
5	Ms. Irene Okeyo	Member		Academic committee	Date of birth: 1972 Master of architecture Engineering
6	Ms. Redempta Kavindu	Member		Academic committee	Master's in Business Studies

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
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7	Ms. Juliana Kivasu	Member		Governance/ strategies/human resource committee	Date of birth: 1965 BA/Master in business administration
9	Ms. Ruth Okowa	Member		Governance/ strategies/human resource committee	Date of birth: 1973 Masters in democracy (popul ation studies)
2	Mr Daniel Muumbi	Principal/secretary, BOG		In charge of the overall management of the college	Date of birth: 1964 Bachelor in Education Technical Education

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3. MANAGEMENT TEAM

S/ n o	Manager	Title	Photograph	Responsibility	Date of birth, qualifications & work experience
1	Daniel Muumbi	Principal/Secretary , BOG		Overall in charge of institute Affairs	Date of birth:1964 Bachelor in Education Technical Education
2	Josephine Nzyoki	Deputy principal		Planning, Administration & Academics	Date of birth:1968 Masters in business administration(strat egic management)
3	Jackson swili	Accountant		Financial management of the college	Date of birth:1972 CPA K, Diploma in business Management

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4. CHAIRMAN'S STATEMENT

David Wambuli TVC was established with the aim of proving knowledge and skills to people of large Makueni and beyond.

Key activities

During the 2019/2020 financial year the college undertook the following activities

- i. Registration with various bodies e.g. KNEC

Challenges

During the FY 2019/2020 the institute faced the following challenges

- i. Inadequate staff, both trainers and support staff
- ii. Inadequate furniture
- iii. Inadequate physical infrastructure-lecture rooms, staff houses
- iv. Delayed GOK funding.

Way forward/future outlook

In order to address the above challenges, the college has planned to carry out the following activities during the FY 2020/2021

- i. Construct pit latrine for both staff and trainees
- ii. Construct tuition block
- iii. The college also plans to increase industrial linkages so as to enhance trainings.
Strengthen college financial base through increasing income generating activities



Amb: Dennis Awori
Chairman, BOG

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5. REPORT OF THE PRINCIPAL

During the financial year 2019/2020 the college undertook the following activities

Key Activities

- i. Marketing the college targeting the locals
- ii. presented candidates for KNEC examination

Challenges

- i. Inadequate physical infrastructure –the college is facing this challenge due to growing numbers of staff and students
- ii. Inadequate staff, both support staff and teaching staff
- iii. Inadequate furniture for staff
- iv. Delayed GOK funding-due to delayed disbursement of development fund the college has not been able to meet the planned projects.

Way forward/future outlook

In order to address those challenges, the college has planned to carry out the following activities during the FY 2020/2021

- i. Procure furniture's for both staff and trainees
- ii. Constructing the pit latrines for both trainers and staff
- iii. Recruiting support staff
- iv. strengthen the college financial state through increasing income generating activities and also partnership with County Government of Makueni, JICA, Toyota Kenya Academy etc
- v. increasing the enrolment to 400
- vi. The college also plans to increase industrial linkages so as to enhance trainings.

PRINCIPAL
DAVID M. WAMBULI TECHNICAL &
VOCATIONAL COLLEGE
P.O. Box 3308-90100, MACHAKOS

Daniel Muumbi
011 500 827

Principal/Secretary, BOG

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
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REVIEW OF DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
PERFORMANCE FOR FY 2019/2020

Two-to-three pages

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

David Mbiti Wambuli TVC has four strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

Pillar 1: Sustainability strategy and profile

Pillar 2: Environmental performance

Pillar 3: Employees welfare

Pillar 4: Market Place practices

David Mbiti Wambuli TVC develops its annual work plans based on the above four pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The David Mbiti Wambuli TVC achieved its performance targets set for the FY 2019/2020 period for its four strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:					

(Under this section therefore, the management should include performance against the strategic objectives of the organisation. The management should outline the strategic Pillars, activities towards their achievement and outputs under each strategic pillar. The organisation should also briefly outline how they have tied achievements to performance contracts)

(By the period of audit 2019/2020 the college strategic plan was on development and was completed in June 2020)

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6. CORPORATE GOVERNANCE STATEMENT

Appointment of BOG Members

The cabinet secretary, ministry of education appoints members of the board following proposals from the principal of the college. The board consist of nine members.

Role and functions of Board of Governors

- i. Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law
- ii. Developing and implementing the institutions' strategic plan
- iii. Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions
- iv. Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 8
- v. Mobilizing resources for the institutions
- vi. Developing and reviewing programmes for training and to make representations there on to the Board;
- vii. Approving collaboration or association with other institutions and industries in and outside Kenya
- viii. Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;
- ix. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- x. Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- xi. Providing for the welfare of the students and staff of the institutions
- xii. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions
- xiii. Administering and managing the property of the institution

The college give the sitting allowances to board members to cater for their transport.

Full board meeting is held once every term.

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7. MANAGEMENT DISCUSSION AND ANALYSIS

Financial performance of college

The college is fairly stable financially. It operates on fees received from students, recurrent grants, capitation, H.E.L.B Funds.

Institute's compliance with statutory requirements

The college complies with making statutory payments before the relevant deadlines.

Major risks facing the entity

Financial litigation – due to limited finances, the college has not been able to start any projects and recruit support staffs.

Material arrears in statutory /financial obligations

At end of the financial year 2019/2020 no single project for the college had been constructed

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8. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

David Mbiti Wambuli Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 4 pillars: putting the customer first. We offer industry-driven courses as we improve operational excellence. We are a centre of excellence in Electrical/ Electronic Engineering. The other courses are ICT, Business Studies and Agricultural Value Addition. All the courses are offered at both Diploma and Certificate level. Below is a brief highlight of our achievements in each pillar.

1. Sustainability strategy and profile

A sustainability or corporate responsibility strategy is a prioritized set of actions. It provides an agreed framework to focus investment and drive performance, as well as engage internal and external stakeholders. Our immediate stake holders are our trainees. We endeavour to ensure that the learning environment is friendly. We have located suggestion/opinion boxes at strategic points in order to capture and implement any idea that will eventually improve our stay. Besides this is a complaints box where any unsatisfied person can drop his/her complaint. A complaints committee opens the box weekly and responds to arising issues accordingly.

The table below shows all our stake holders, their possible expectations verses ours.

NAME OF STAKEHOLDER	STAKEHOLDER EXPECTATION	DMWTVC EXPECTATION
➤ Students	➤ Accessible and Confidential counselling services ➤ Comprehensive accessible and prompt service provision ➤ Quality training ➤ Timely information	➤ Pass exams ➤ Timely information ➤ Feedback ➤ Maintain discipline ➤ Avail themselves for training
➤ Parents/Guardians/ Sponsors	➤ Safety of their children ➤ Timely communication with identified channels of communication ➤ Value for money	➤ Prompt payment of fees ➤ Provision of relevant information ➤ Harmonious co-existence ➤ Support and guide the students
➤ Community	➤ Employment and Business opportunities ➤ Good public relation ➤ Solution to their problems	➤ Harmonious co-existence ➤ Provision of relevant information
➤ Government (MOE)	➤ Prudent utilization of fund resources	➤ Provision of relevant information

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	➤ Total compliance to statutory and regulatory guides ➤ Timely information and access to information by authorized personnel	➤ Adequate financial and technical support ➤ Enabling Policy Framework
➤ External Providers (Suppliers)	➤ Timely feedback ➤ Integrity and fairness when evaluating and awarding ➤ Prompt Payment ➤ Provision of Business opportunities ➤ Adherence to contract terms	➤ Timely feedback ➤ Timely and quality of goods service and works ➤ Adherence to contract terms
➤ Staff	➤ Career development ➤ Conducive working environment ➤ Open communication channels and feed back ➤ Rewards, Team Building, Fairness & Recognition	➤ Effective delivery of service ➤ Cohesion among staff
➤ Industry	➤ Competent graduates ➤ Enhanced collaborations ➤ Efficient and effective communication ➤ Insurance for the students	➤ Attachment opportunities for students ➤ Job opportunities for graduates ➤ Provision of occupational standards for CBET curriculum development ➤ Safety for the attached students
➤ Local and National leaders	➤ Prudent use of public resources	➤ Goodwill

We are in the process of developing a sustainability strategy. This is an ideal opportunity to engage external stakeholders and colleagues across the education field. Top and senior management is involved in this essential process. We have involved all the staff on the issues that matter to the training. We have Identified measurable objectives - alongside long-term risks and opportunities. This renders our strategy resilient, and creates value for the college community.

2. Environmental performance

The college community is aware of the effects of environmental degradation and pollution.

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Kenya aims to transition the waste sector in every county away from low collection rates, illegal dumping and uncontrolled dumpsites to affordable waste collection, recycling and composting, and secure final disposal in engineered landfills for the remaining fraction of the waste stream.

The national waste management Policy aims to create the necessary regulatory environment that will enable Kenya to effectively tackle the waste challenge, through systematic collection of waste sorted at source and disposal, processing activities aimed at reusing, recycling or composting waste materials into useful products or sources of energy. To promote sustainable waste management as an income generating venture, it will be necessary to create an enabling policy and regulatory environment that will incentivize and facilitate the establishment of multiple links in the waste value chain that are currently missing in Kenya.

These include: effective and affordable waste collection in all neighbourhoods; sorting posts where waste will be separated and sorted for subsequent recycling; composting facilities for the organic waste; waste to energy facilities; and fiscal incentives for investment in recycling technologies and facilities. This policy also supports the creation of the planning, finance, technical and governance capacities that county governments need to effectively deliver on their mandate under the Constitution of Kenya 2010, to be the lead actors in delivering sustainable waste management services.

In her contribution the college has planted 100 trees to help in greening the compound. We have a pit from where all solid waste like paper, cloth, rubbish is burned. The compound is drug-free.

We have not carried out a survey to determine our performance index. This will be done in the next financial year.

3. Employee welfare

The college has a human resource policy which guides in the execution of employment procedures. We have a BOG subcommittee that handles HR issues, conducts interviews during employments and attends to all HR issues.

The procedure for hiring is outlined in the HR policy. The vacancies arise as per existing staff needs/gaps and ability to pay. The other factors are gender and qualifications. The college is an equal employer and encourages people living with disabilities to apply.

Upon employment, Employees are issued with employment letters clearly describing the job and remuneration. After reporting for work, a new worker signs an acceptance letter and completes a bio-data form. Thereafter an induction process is undertaken.

The workers enter into goal/target setting each with the immediate supervisor at the beginning of each financial year. The targets are reviewed quarterly and a final evaluation done at the end of the 4th quarter. The employee performance is rated and awards or sanctions are implemented.

4. Market place practices

The market for TVET colleges is both in trainee catchment areas and enrolment. The other level is the utility of our products (graduates) to the labour market/industry. The training is such that one can work in an industry or begin some income generating activities either through innovation and creativity or Through the adaptation to the rapidly changing technology and civilization dynamics, the college has embraced online marketing by ensuring the sustainability of a website where the customers can access our products. We are interacting with our customers through Facebook.

Having presence online, in what we would consider a saturated market, is one colleges greatest marketing success. Brands need to connect with their customers through various digital channels and platforms.

Within this multichannel brand strategy is **the marketplace**, which is the **positioning of our courses on one or more e-commerce**

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

9. REPORT OF THE COUNCIL/BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the David Mbiti Wambuli Technical and Vocational College's affairs.

Principal activities

The principal activities of the college are Provision of Technical and Vocational Training.

Results

The results of the college for the year ended 30 June 2020 are set out on page 1

BOARD/BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page vi to viii
During the year that ended 30 June 2020 none of members retired or resigned

Auditors

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

By Order of the Board

PRINCIPAL
DAVID M. WAMBULI TECHNICAL &
VOCATIONAL COLLEGE
P. O. Box 9008-90100, MACHAKOS
TEL: 0743 896 827
Daniel Muumbi
Principal/Secretary, BOG

Date.....

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
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10. STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of Wambuli TVC, which give a true and fair view of the state of affairs of the TVC at the end of the financial year and the operating results of the TVC for that year. 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 year (period) ended on June 30, 2020 This responsibility includes:

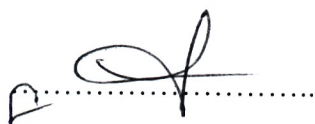
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the college;
- (iii) Designing, implementing 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 judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act 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 _____ and signed on its behalf by:



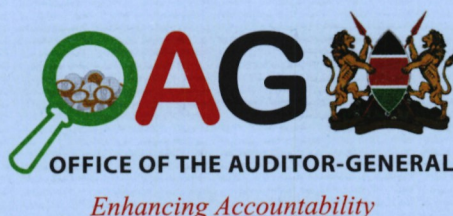
Chairperson of the Board/Council

PRINCIPAL
DAVID M. WAMBULI TECHNICAL &
... VOCATIONAL COLLEGE
P. O. Box 3308-90100, MACHAKOS

Accounting officer/Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of David Mbiti Wambuli Technical and Vocational College set out on pages 1 to 44, which comprise 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 the 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the David Mbiti Wambuli 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 do not comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education Training Act, 2013.

Basis for Adverse Opinion

1. Errors in Presentation and Disclosures in the Financial Statements

Review of the financial statements presented for audit revealed errors and omission as outlined below:

- i. Date of the reports is not indicated against the signatures on pages xvii, xviii, 2 and 46.
- ii. Statement of cash flows on page 4 of the financial statements does not indicate the relevant disclosure notes.
- iii. Review of performance of the College for the year as outlined in page xi does not include information on objectives, key performance indicators, activities and achievements.
- iv. Notes 26, 27 and 28 do not flow sequentially and Note 26(b) is shown as 28(a).

- v. Report on review of entity performance for the year as presented in page xi does not indicate the numbering of the title which should be '6'.
- vi. Information on Management team in page viii indicates that the Accountant is a CPA(K) holder. However, the ICPAK Number is not indicated under the statement of financial position.
- vii. Management discussion and analysis as presented in page xiii is too summarized and lacks specific details on the College and its performance for the year.
- viii. Under the statement of financial performance, it is reflected that the Notes are set out on pages x to page xx instead of specific pages of 7 to 42.
- ix. Statement of financial position as presented in page 2 does not specify the page numbers for financial statements but refers to pages xx.
- x. Note 6 reflects Kshs.2,795,000 in respect to receipts from the National Government. However, Note 6(b) is blank and does not include an analysis of the same. Further, names of the entities that sent the grants are indicated as 'xxx'.
- xi. Note 8 on transfers from other levels of government has retained identity of entities as 'xxx' as given in the Public Sector Accounting Standards Board template.
- xii. The financial statements have blanks in all places where Nil balances are supposed to be indicated.
- xiii. The Notes reference reflected in the statement of financial position for all components with Nil balances does not correspond with actual disclosure notes.

In view of the foregoing, there is lack of clarity and consistency in disclosures in the financial statements.

Consequently, the presentation does not fully comply with the International Public Sector Accounting Standards (IPSAS) No.1 and the prescribed reporting template issued by the Public Sector Accounting Standards Board.

2. Errors in Comparative Figures

Review of the comparative figures revealed the following errors:

- i. The statement of financial performance reflects Kshs.582,500 as comparative balance for revenue from students' fees which is correct as per the audited financial statements for 2018/2019. However, this amount differs from the Kshs.395,390 reflected in Note 10 as the comparative figure.
- ii. The statement of financial performance reflects a comparative balance of Kshs.828,137 in respect to general expenses which differs from the Kshs.806,410 reported in the financial statements for 2018/2019 financial year.
- iii. The net surplus of Kshs.295,287 as reflected under 2018/2019 comparatives in the statement of financial performance differs with the amount of Kshs.129,904 reflected in the audited financial statements for 2018/2019 financial year.

- iv. The statement of financial position reflects Kshs.187,110 as the comparative balance for current portion of receivables from exchange transactions which differs with the Kshs.491,310 reported in the audited financial statements for 2018/2019 financial year.
- v. The statement of financial position further reflects Kshs.316,644 as comparative balance for total assets instead of the Kshs.620,844 reported in the audited financial statements for 2018/2019 financial year.
- vi. The statement of financial position reflects a comparative balance of Kshs.21,357 in respect to trade and other payables from exchange transactions which differs with the balance of Kshs.381,357 as per the audited financial statements for 2018/2019 financial year.
- vii. The statement of cash flows reflects a comparative balance of Kshs.828,137 in respect of other payments while the audited financial statements for 2018/2019 financial year had a figure of Kshs.806,410 for general expenses.
- viii. The statement of cash flows show Kshs.295,287 as a comparative balance for net cash flows from operating activities which agrees with the audited financial statements for the prior year. However, Note 43 on cash generated from operations has a comparative amount of Kshs.129,904.

In view of the foregoing, the accuracy and completeness of the comparative balances for 2018/2019 financial year could not be confirmed.

3. Misstatement of Changes in Net Assets

The statement of changes in net assets reflects Kshs.1,323,193 in respect of retained earnings as at 30 June, 2020. Further, the statement reflects Nil balance for capital, development grants and funds. However, the background information in page ii states that the College was started with a donation of land from a member of the local community and funding from both the local Constituency Fund - National Government Constituencies Development Fund and the National Government through the parent Ministry. These contributions represent capital fund which should have been included as capital fund. In addition, errors were noted whereby the closing balance is reflected as at 30 June, 2019 instead of 2020.

In the circumstances, the accuracy and completeness of statement of changes in net assets as presented could not be confirmed.

4. Undisclosed Property, Plant and Equipment

The statement of financial position and as disclosed under Note 31 to the financial statements reflects Nil balances on property, plant and equipment. However, handover report between the College and Wote Technical Training Institute reflects that the College took over assets totalling Kshs.56,048,091 in respect of buildings, septic and external drainage and firefighting equipment, each valued at Kshs.50,876,935, Kshs.4,319,056 and Kshs.852,100, respectively. In addition, physical verification revealed that there were several other assets of undetermined value which included; land, office furniture, office equipment, computers and accessories, training machines and equipment and library books which had not been disclosed as part of plant, property and equipment.

In the circumstances, the accuracy, completeness and disclosure of property, plant and equipment could not be confirmed.

5. Land without Ownership Documents

Background information in page ii of the financial statements reflects that the College is constructed on a 5 hectares piece of land donated by a person after whom the College is named. However, Management did not provide the title deed of the parcel of the land for audit to confirm ownership. Further, the land has not been valued for inclusion in the financial statements.

In the circumstances, the ownership and security of the land on which the College stands could not be confirmed.

6. Unsupported Balances

Review of the financial statements revealed the following:

- i. The statement of financial position and as disclosed in Note 26 to the financial statements reflects Kshs.1,508,034 in respect of cash and cash equivalents balance. However, the bank balance was not supported by bank reconciliation statements and cash book.
- ii. The statement of financial performance reflects an expenditure of Kshs.1,801,882 in respect of general expenses which was not analyzed and lacks a disclosure Note to the financial statements. Further, no supporting documents were provided.

Consequently, the accuracy, completeness and validity of the reported cash and cash equivalents balance of Kshs.1,508,034 as at 30 June, 2020 and general expenses balance of Kshs.1,801,882 for the year ended 30 June, 2020, could not be confirmed.

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

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.19,758,944 and Kshs.4,443,861 respectively, resulting to an under-funding of Kshs.15,315,083 or 78% of the budget. Similarly, the College expended Kshs.3,415,955 against an approved budget of Kshs.19,758,944 resulting to an under-expenditure of Kshs.16,342,989 or 83% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matter discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that, public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-Remittance of Statutory Deductions

During the year under review, the College did not remit Kshs.9,600, Kshs.6,537 and Kshs.10,444 for National Hospital Insurance Fund (N.H.I.F.), National Social Security Fund (N.S.S.F) and Pay As You Earn (P.A.Y.E) respectively, all totalling Kshs.26,581 as required.

Further, it was noted that from July, 2019 to December, 2019, the College Management refunded back to employees amounts withheld as statutory deductions through the payroll instead of remitting the same to the relevant authorities. In addition, it was noted that the College did not contribute the employer's portion of NSSF as required by law but instead deducted the whole amount from the employees' salaries which is contrary to the provisions of Section 22 National Social Security Fund Act, 2013 which states that an employer is entitled to recover from his employee's earnings, the employee's contribution by way of a deduction there from for purposes of paying the employee's contribution, but is not permitted to deduct the employer's contribution from the employee's earnings, but shall instead pay from his own resources, and remit to the employee's account under this Act.

In the circumstances, the Management is in breach of the law and risks accruing and paying penalties and interests due to late or non-remittance of statutory deductions.

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, because of the significance of the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that, internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Weaknesses in Cash and Bank Management

Review of the system in place with regards to cash and bank management revealed the following weaknesses:

- i. Cash book is not checked and approved by an Officer different from the one who updates it and thus there is lack of segregation of duties.
- ii. The Board of Survey was not conducted after the close of the year as required and the cash book remained open as at the time of the audit which was done in March, 2021. This is indicative of lack of year-end cut-off procedures.
- iii. During the year under audit, it was noted that the payments amounting to Kshs.1,231,502 were made in respect to per diem and lunches to staff for various trainings and seminars but no imprest register was in place to manage imprest issues and surrenders.

To this extent, the College is in breach of the law.

2. Weak Finance Department

Review of the operations of Finance Department revealed that the College did not have an Accounts and Finance Policy Manual to outline out various accounting policies and procedures as well as the required checks and balances in operations. In addition, the department is understaffed with only one Finance Officer who is assisted by a Clerk. Further, there was lack of segregation of duties in receipts and payments processes, updating of the accounts records and preparation of financial reports.

In the circumstances, errors in the accounting records may go undetected for purposes of correction in good time.

3. Lack of Procurement Function

The audit noted that the College did not have a procurement department and all procurements during the year were undertaken by the Principal and Secretary. In addition, there was no approved procurement plan and prequalification of suppliers was not done. Further, no supporting documents was provided for audit to confirm that procurements were undertaken by different people at different stages in accordance with the provisions of the Public Procurement and Assets Disposal Act, 2015.

To this extent, the College is in breach of the law.

4. Lack of Internal Audit Function

The audit also revealed that the College does not have in place an Internal Audit function and the Audit Committee. This is a contravention of the requirements of Section 73(1) and 73(5) of the Public Finance Management Act, 2012 which requires every public entity to have an arrangement in place for internal audit function for the purpose of carrying out in depth reviews of management operations and internal controls and to have an Audit Committee.

To this extent, the College is in breach of the law since it lacks the required arrangements to provide oversight over management activities.

5. Lack of Human Resources Department

The audit noted that the College does not have a human resource department or an Officer trained and experienced in human resource management. Further, there are no human resources policy documents to guide in the determination of staffing requirement, job descriptions, key competences, qualifications required, terms of service, career progression, training and development.

In the circumstances, the College may face challenges in determination of staffing needs, recruitment criteria and remuneration of staff.

6. Lack of a Risk Management Policy

The audit further noted that the College does not have a Risk Management Policy which is required to guide in identification, assessment and mitigation of risks. This is in contravention to Section 165(1) of the Public Finance Management (National Government) Regulations, 2015, which stipulates that the Accounting Officer shall ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the circumstances, the College is exposed to risks that may affect its operations without the required responses and mitigation.

7. Lack of Automation of Key Processes

The audit noted that the College majorly relies on a manual system for processing and records keeping and is thus exposed to risks associated with manual records keeping such as; errors in processing, manipulation of records and lack of data integrity and confidentiality. Further, manual processing is cumbersome and denies the College the benefits of speedy processing and retrieval of information.

In the circumstances, errors in the manual records may go undetected for purposes of correction in good time.

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 Governors

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of 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 Governors is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how the 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

11 February, 2022

DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
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12. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ capitation	6	2,795,000	995,000
Grants from donors and development partners	7		
Transfers from other levels of government (wote TTI)	8	234,211	
Public contributions and donations	9		
		3,029,211	995,000
Revenue from exchange transactions			
Rendering of services- Fees from students	10	1,414,650	582,500
Sale of goods	11		
Rental revenue from facilities and equipment	12		
Finance income - external investments	13		
Other income	14		582,500
Revenue from exchange transactions		1,414,650	
Total revenue		4,443,861	1,577,500
Expenses			
Use of goods and services	15	169,000	55,000
Employee costs	16	801,473	314,794
Remuneration of directors (BOG allowances)	17	342,800	
Depreciation and amortization expense	18		
Repairs and maintenance	19	295,360	81,980
Contracted services	20		
Grants and subsidies	21		
Finance costs – Bank charges	22	5,440	2,302
General expenses		1,801,882	828,137
Total expenses		3,415,955	1,282,213
Other gains/(losses)			
Gain on sale of assets	23		
Unrealized gain on fair value of investments	24		
Impairment loss	25		
Total other gains/(losses)			
Net Surplus for the year		1,027,906	295,287
Attributable to:			
Surplus/(deficit) attributable to minority interest			
Surplus attributable to owners of the controlling entity			

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

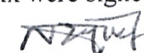
DAVID MBITI WAMBULI TECHNICAL AND VOCATIONAL COLLEGE
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13. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	26	1,508,034	129,534
Current portion of receivables from exchange transactions	27(a)	200,102	187,110
Receivables from non-exchange transactions	28		
Inventories	29		
Investments	30		
Non-current assets			
Property, plant and equipment	33		
Investments	32		
Intangible assets			
Investment property	35		
Long term receivables from exchange transactions	27(b)		
Total assets		1,708,136	316,644
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	34	384,943	21,357
Refundable deposits from customers	37		
Provisions	38		
Finance lease obligation	39		
Current portion of borrowings	43		
Deferred income	40		
Employee benefit obligation	41		
Payments received in advance			
Non-current liabilities			
Non-current employee benefit obligation	41		
Non-current provisions	42		
Borrowings	43		
Service concession liability	44		
Deferred tax liabilities	53		
Total liabilities			
Net assets			
Reserves			
Accumulated surplus		1,323,193	295,287
Capital Fund			
Total net assets and liabilities		1,708,136	316,644

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


Chairman of Council/Board of Governors


Finance Officer
ICPAK No
Date


Principal
P. O. Box 3300-00100, MACHAKO
CELE 0743 896 827
Date

Date.....

SAVITHRI VIDYALAYA TECHNICAL AND VOCATIONAL COLLEGE
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14. 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
At July 1 2019			295,287		
Revaluation gain					
Fair value adjustment on quoted investments					
Total comprehensive income					
Capital/Development grants received during the year					
Transfer of depreciation/amortisation from capital fund to retained earnings					
At June 30, 2020			295,287		
At July 1, 2019					
Revaluation gain					
Fair value adjustment on quoted investments					
Total comprehensive income					
Capital/Development grants received during the year					
Transfer of depreciation/amortisation from capital fund to retained earnings			1,027,906		
At June 30, 19			1,323,193		

Note:

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

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

		2019-2020	2018-2019
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants		2,795,000	995,000
Public contributions and donations			
Rendering of services- Fees from students		1,414,650	582,500
Sale of goods			
Rental revenue from facilities and equipment			
Finance income			
Other income		234,211	
Total Receipts		4,443,861	1,577,500
Payments			
Compensation of employees			
Use of goods and services		169,000	55,000
Finance cost		5,440	2,302
Rent paid			
Remuneration of directors (BOG allowances)		342,800	
Taxation paid			
Other payments		1,801,882	828,137
Grants and subsidies paid			
Employee costs		801,473	314,794
Repairs and maintenance		295,360	81,980
Total Payments		3,415,955	1,282,213
Net cash flows from operating activities		1,027,906	295,287
Increase in payables		363,586	21,357
Increase in receivables		(12,992)	(187,110)
Net cash flows from operating activities	45	1,378,500	129,904
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets			
Proceeds from sale of property, plant and equipment			
Decrease in non-current receivables			
Increase in investments			
Net cash flows used in investing activities			
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings			
Increase in deposits			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		1,378,500	129,534

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Cash and cash equivalents at 1 JULY 2019	26	129,534	0
Cash and cash equivalents at 30 JUNE 2020	26	1,508,034	129,534

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation).

**ANNUAL REPORT AND FINANCIAL STATEMENTS
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16. 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
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from other Govt entities Govt grants	2,000,000	2,000,000	2,000,000	2,000,000	-
Capitation				795,000	(795,000)
Public contributions and donations	8,758,576	8,758,576	8,758,576		
Rendering of services- Fees from students	8,890,368	8,890,368	8,890,368	1,414,650	7,475,718
Transfers from other levels of government (Wote TTI)				234,211	(234,211)
Sale of goods					
Finance Income					
Other Income	110,000	110,000	110,000		110,000
Gains on disposal, rental income and agency fees					
Total income	19,758,944	19,758,944	19,758,944	4,443,861	15,315,017
Expenses					
Employee cost	2,650,000	2,650,000	2,650,000	801,473	1,848,527
Use of Goods and services	500,000	500,000	500,000	169,000	331,000
Repairs and maintenance	500,000	500,000	500,000	295,360	204,640
Finance costs				5,440	(5,440)
Rent paid					
Remuneration of directors- BOG	600,000	600,000	600,000	342,800	257,200
General expense	15,508,944	15,508,944	15,508,944	1,801,882	13,707,062
Grants and subsidies paid					
Total expenditure	19,758,944	19,758,944	19,758,944	3,415,955	16,342,989
Surplus for the period				1,027,906	(1,027,906)

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

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3. *Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis; statement of financial performance is accrual) provide a reconciliation.*

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17. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

David Wambuli TVC is established by and derives its authority and accountability from TVET Act. David Wambuli TVC is wholly owned by the Government of Kenya and is domiciled in Kenya. The college principal activity is to provide knowledge and skills to people in the whole world.

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. ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 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. <i>The college did not have any transactions that require adoption of this standard</i>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

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:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <i>The college did not deal in any Financial instruments during the year under review</i>
IPSAS 42: Social Benefits	Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the college; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the college financial performance, financial position and cash flows. <i>The college did not have any reason to early adopt this standard</i>

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Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2022: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. 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.
Other Improvements to IPSAS	Applicable: 1st January 2021: 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 b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. 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 c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. 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. 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.

iii. Early adoption of standards

The college did not early – adopt any new or amended standards in year 2020

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

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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 entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial the original budget for FY 2019/2020 was approved by the Council or Board on 15TH August 2019 . Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the college upon receiving the respective approvals in order to conclude the final budget.

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 2 of these financial statements.

c) Taxes

Current income tax

The college is exempt from paying taxes as per First Schedule Section 10 subsection (a) and (b) of the *2010 income tax* Act.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

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

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

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

e) Property, plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

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

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recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

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

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

g) Intangible assets

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

h) Research and development costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or 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:

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

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

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

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

Contingent assets

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

The College has not created or maintained any reserves in terms of specific requirements.

l) 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.

m) Employee benefits

Retirement benefit plans

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

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

n) 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.

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

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

q) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the 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.

r) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

s) Comparative figures

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

t) 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

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5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

There were no provisions raised during the year under review.

6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

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Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Operational grant	2,000,000	500,000
Other grants/capitation	795,000	495,000
Conditional grants		
Library grant		
Hostels grant		
Administration block grant		
Laboratory grant		
Learning facilities grant		
Other organizational grants		
Total government grants and subsidies	2,795,000	995,000

6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2018-2019 KShs
GOK Ministry/State Department					
Xxx Ministry					
Total					

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry. The details of the reconciliation have been included under appendix xxx)

7 GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2019-2020	2018-2019
	KShs	KShs
JICA- Research grant		
World Bank grants		
Other grants		
Total grants from development partners		

Reconciliations of grants from donors and development partners

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Description	2019-2020	2018-2019
	KShs	KShs
Balance unspent at beginning of year		
Current year receipts		
Conditions met - transferred to revenue		
Conditions to be met - remain liabilities		

There were no grants from donors and development partners during the year under review

8 TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2019-2020	2018-2019
	KShs	KShs
Transfer from County xxx		
Transfer from xxx University		
Transfer from xxx institute		
Total Transfers		

9 PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2019-2020	2018-2019
	KShs	KShs
Public donations		
Donations from local leadership		
Donations from religious institutions		
Donations from alumni		
Other donations		
Total donations and sponsorships		

There were no public contributions and donations during the year under review

10 RENDERING OF SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Tuition fees	499,350	305,730
Activity fees	13,400	
Examination fees	56,000	46,460
Personnel emolument	66,500	13,400
Local transport travelling	13,000	
Repair maintenance	46,500	7,800
Accommodation	77,000	22,000
Electricity water conservancy	20,900	
Attachment/medical/caution/student council	15,400	
HELB & Bursary	606,600	
Total revenue from the rendering of services	1,414,650	395,390

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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11 SALE OF GOODS

Description	2019-2020	2018-2019
	KShs	KShs
Sale of goods		
Sale of books		
Sale of publications		
Sale of farm produce		
Other (include in line with your organisation)		
Total revenue from the sale of goods		

There was no sale of good during the year under review

12 RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	2019-2020	2018-2019
	KShs	KShs
Straight-lined operating lease receipts		
Contingent rentals		
Total rentals		

There was no rental revenue from facilities and equipment during the year under review

13 FINANCE INCOME

Description	2019-2020	2018-2019
	KShs	KShs
Cash investments and fixed deposits		
Interest income from Treasury Bills		
Interest income from Treasury Bonds		
Interest from outstanding debtors		
Total finance income		

There was no finance income during the year under review

14 OTHER INCOME

Description	2019-2020	2018-2019
	KShs	KShs
Insurance recoveries		
Consultancy fees		
Income from sale of tender		
Services concession income		
Skills development levy		
Income from disposal of assets		
Total other income		

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 USE OF GOODS AND SERVICES

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Description	2019-2020	2018-2019
	KShs	KShs
Electricity/water	169,000	55,000
Security		
Professional services		
Subscriptions		
Advertising		
Admin fees		
Audit fees		
Conferences and delegations		
Consulting fees		
Consumables		
Fuel and oil		
Insurance		
Legal expenses		
Licenses and permits		
Postage		
Printing and stationery		
Hire charges		
Rent expenses		
Security costs		
Sewage treatment costs		
Skills development levies		
Inventory scrapping		
Telecommunication		
Training expenses		
Other		
Total good and services	169,000	55,000

16 EMPLOYEE COSTS

	2019-2020	2018-2019
	KShs	KShs
Salaries and wages	801,473	314,794
Employee related costs - contributions to pensions and medical aids		
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
Performance and other bonuses		
Social contributions		
Employee costs	801,473	314,794

17 REMUNERATION OF DIRECTORS

Description	2019-2020	2018-2019
	KShs	KShs

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Chairman's Honoraria		
Directors emoluments		
Other allowances	342,800	
Total director emoluments	342,800	

18 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2019-2020	2019-2020
	KShs	KShs
Property, plant and equipment		
Intangible assets		
Investment property carried at cost		
Total depreciation and amortization		

19 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	KShs	KShs
Property		
Investment property – earning rentals		
Equipment and machinery		
Vehicles		
Furniture and fittings	295,360	81,980
Computers and accessories		
Other		
Total repairs and maintenance	295,360	81,980

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

21 CONTRACTED SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Actuarial valuations		
Investment valuations		
Property valuations		
Total contracted services		

22 GRANTS AND SUBSIDIES

Description	2019-2020	2018-2019
	KShs	KShs
Community development		
Education initiatives and programs		
Social development		
Community trust		
Sporting bodies		
Total grants and subsidies		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

22 FINANCE COSTS

Description	2019-2020	2018-2019
	KShs	KShs
Borrowings (amortized cost) *		
Finance leases (amortized cost)		
Bank Charges	5,440	2,302
Interest on Bank overdrafts		
Interest on loans from commercial banks		
Total finance costs	5,440	2,302

*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

23 GAIN ON SALE OF ASSETS

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment		
Intangible assets		
Other assets not capitalised		
Total gain on sale of assets		

24 UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2019-2020	201-2019
	KShs	KShs
Investments at fair value		
Total gain		

25 IMPAIRMENT LOSS

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment		
Intangible assets		
Total impairment loss		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

26 CASH AND CASH EQUIVALENTS

Description	2019-2020	2018-2019
	KShs	KShs
Current account	1,508,034	179,425
On - call deposits		
Fixed deposits account		
Staff car loan/ mortgage		
cash at hand		(49,891)
Total cash and cash equivalents	1,508,034	129,534

The amount should agree with the closing and opening balances as included in the statement of cash flows)

28 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2019-2020	2018-2019
		KShs	KShs
a) Current account			
Kenya Commercial bank	1253017115	1,508,034	179,425
Equity Bank, etc			
Sub- total			
b) On - call deposits			
Kenya Commercial bank			
Equity Bank – etc			
Sub- total			
c) Fixed deposits account			
Kenya Commercial bank			
Bank B			
Sub- total			
d) Staff car loan/ mortgage			
Kenya Commercial bank			
Bank B			
Sub- total			
e) Others(specify)			
Cash in transit			
cash in hand			
M pesa			
Sub- total			
Grand total			

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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27 RECEIVABLES FROM EXCHANGE TRANSACTIONS

27(a)

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Student debtors	200,102	397
Rent debtors		
Consultancy debtors		
Other exchange debtors		
Less: impairment allowance		
Total current receivables	200,102	397

27(b)

Description	2019-2020	2018-2019
	KShs	KShs
Non-current receivables		
Refundable deposits		
Advance payments		
Public organizations		
Less: impairment allowance		
Total		
Current portion transferred to current receivables		
Total non-current receivables		
Total receivables		

28 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Transfers from other govt. entities		
Undisbursed donor funds		
Other debtors (non-exchange transactions)		
Less: impairment allowance		
Total current receivables		

29 INVENTORIES

Description	2019-2020	2018-2019
	KShs	KShs
Consumable stores		
Maintenance stores		
Health Unit stores		
Electrical stores		
Cleaning materials stores		
Catering stores		
Total inventories at the lower of cost and net realizable value		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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30 INVESTMENTS

Description	2019-2020	2018-2019
	KShs	KShs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK		
CBK		
Sub- total		
b) Investment with Financial Institutions/ Banks		
Bank x		
Bank y		
Sub- total		
c) Equity investments (specify)		
Equity/ shares in company xxx		
Sub- total		
Grand total		Xxx

d) Shareholding in other entities

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

Name of entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Prior year
	%	%	%	Shs	Shs	Shs
Entity A						
Entity B						
Entity C						
Entity D						

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31 PROPERTY, PLANT AND EQUIPMENT

Cost	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2019								
Additions								
Disposals								
Transfers/adjustments								
At 30th June 2020								
Additions								
Disposals								
Transfer/adjustments								
At 30th June 2020								
Depreciation and impairment								
At 1 July 19								
Depreciation								
Impairment								
At 30 June 2020								
Depreciation								
Disposals								
Impairment								
Transfer/adjustment								
At 30th June 2020								
Net book values								
At 30th June 2020								
At 30th June 2020								
<i>[Include brief description of WIP as a footer]</i>								

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

32 INTANGIBLE ASSETS-SOFTWARE

Description	2019-2020	2018-2019
	KShs	KShs
Cost		
At beginning of the year		
Additions		
At end of the year		
Additions–internal development		
At end of the year		
Amortization and impairment		
At beginning of the year		
Amortization		
At end of the year		
Impairment loss		
At end of the year		
NBV		

33 INVESTMENT PROPERTY

Description	2019-2020	2018-2019
	KShs	KShs
At beginning of the year		
Additions		
Fair value gain		
Depreciation (where investment property is at cost)		
At end of the year		

34 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Trade payables	384,943	
Fees paid in advance		
Employee advances		
Third-party payments		
Other payables		
Total trade and other payables		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

35 REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2019-2020	2018-2019
	KShs	KShs
Consumer deposits		
Caution money		
Other refundable deposits		
Total deposits		

36 CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year				
Additional Provisions				
Provision utilised				
Change due to discount and time value for money				
Transfers from non -current provisions				
Total provisions				

37 FINANCE LEASE OBLIGATION

Description	Minimum lease payments	Future finance charges	Present value of minimum lease payments	2019-2020
	KShs	KShs	KShs	KShs
Within current year				
Long term portion of lease payments				
Total provisions				

38 DEFERRED INCOME

Description	2019-2020	2018-2019
	KShs	KShs
National government		
International funders		
Public contributions and donations		
Total deferred income		

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The deferred income movement is as follows:

	National government	International funders/ donors	Public contributions and donations	Total
Balance brought forward				
Additions during the year				
Transfers to Capital fund				
Transfers to income statement				
Other transfers				
Balance carried forward				

39 EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2019-2020	2018-2019
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation					
Non-current benefit obligation					
Total employee benefits obligation					

The college operates a defined benefit scheme for all full-time employees from July 1, 2019 the scheme is based on xxx percentage of salary of an employee at the time of retirement. During the year, XXX actuarial valuers were engaged to value the scheme. The liability at the end of the year is as follows:

	2019-2020	2018-2019
	KShs	KShs
Valuation at the beginning of the year		
Changes in valuation during the year		
Valuation at end of the year		

The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.200 per employee per month.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

40 NON-CURRENT PROVISIONS

Description	Long service leave	Gratuity	Other Provisions	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year				
Additional Provisions				
Provision utilised				
Change due to discount and time value for money				
Less: Current portion				
Total deferred income				

(NB: The current portion deducted in this note should tie to line on current portion transferred from non- current provisions under note 37)

41 BORROWINGS

Description	2019-2020	2018-2019
	KShs	KShs
Balance at beginning of the period		
External borrowings during the year		
Domestic borrowings during the year		
Repayments of external borrowings during the year		
Repayments of domestics' borrowings during the year		
Balance at end of the period		

43 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS

	2019-2020	2018-2019
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx organization'		
Sterling Pound denominated loan from 'yyy organization'		
Euro denominated loan from zzz organization'		
Domestic Borrowings		
Kenya Shilling loan from KCB		
Kenya Shilling loan from Barclays Bank		
Kenya Shilling loan from Consolidated Bank		
Total balance at end of the year		

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43 b) BREAKDOWN OF LONG- AND SHORT-TERM BORROWINGS

Description	2019-2020	2018-2019
	KShs	KShs
Short term borrowings (current portion)		
Long term borrowings		
Total		

(NB: the total of this statement should tie to note 42 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

42 SERVICE CONCESSION ARRANGEMENTS

Description	2019-2020	2018-2019
	KShs	KShs
Fair value of service concession assets recognized under PPE		
Accumulated depreciation to date		
Net carrying amount		
Service concession liability at beginning of the year		
Service concession revenue recognized		
Service concession liability at end of the year		

43 CASH GENERATED FROM OPERATIONS

	2019-2020	2018-2019
Surplus for the year before tax	KShs	KShs
Adjusted for:	1,027,906	129,904
Depreciation		
Non-cash grants received		
Contributed assets		
Impairment		
Gains and losses on disposal of assets		
Contribution to provisions		
Contribution to impairment allowance		
Finance income		
Finance cost		
Working Capital adjustments		
Increase in inventory		
Increase in receivables		
Increase in deferred income		
Increase in payables		
Increase in payments received in advance		
Net cash flow from operating activities	1,027,906	129,904

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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44 FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2020				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				
At 30 June 2020				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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46. FINANCIAL RISK MANAGEMENT (Continued)

(i) Credit risk (continued)

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

The college has significant concentration of credit risk on amounts due from xxxx

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

(ii) Liquidity risk management

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

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total				
At 30 June 2020				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total				

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46. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

The carrying amount of the college foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2020			
Financial assets (investments, cash, debtors)			
Liabilities			
Trade and other payables			
Borrowings			
Net foreign currency asset/(liability)			

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

46. FINANCIAL RISK MANAGEMENT (Continued)

- (iii) Market risk (Continued)
a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2020			
Financial assets (investments, cash, debtors)			
Liabilities			
Trade and other payables			
Borrowings			
Net foreign currency asset/(liability)			

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2020			
Euro	10%		
USD	10%		
2020			
Euro	10%		
USD	10%		

b) Interest rate risk

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

Management of interest rate risk

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

46 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

b) Interest rate risk(continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (2016: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (2012 – KShs xxx)

iv) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Board's ability to continue as a going concern. The entity capital structure comprises of the following funds:

	2019-2020	2018-2019
	Kshs	Kshs
Revaluation reserve		
Retained earnings		
Capital reserve		
Total funds		
Total borrowings		
Less: cash and bank balances		
Net debt/(excess cash and cash equivalents)		
Gearing		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

45 RELATED PARTY BALANCES

Nature of related party relationships

Entities and other parties related to the entity 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 *college* holding 100% of college equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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

	2019-2020	2018-2019
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods to xxx		
Sales of services xxx		
Total		
b) Grants from the Government		
Grants from National Govt		
Grants from County Government		
Donations in kind		
Total		
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees		
Payments for goods and services for xxx		
Total		
d) Key management compensation		
Directors' emoluments		
Compensation to the CEO		
Compensation to key management		
Total		

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46 SEGMENT INFORMATION

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

47 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities	2019-2020	2018-2019
	Kshs	Kshs
Court case xxx against the company		
Bank guarantees in favour of subsidiary		
Total		

(Give details)

48 CAPITAL COMMITMENTS

Capital commitments	2019-2020	2018-2019
	Kshs	Kshs
Authorised for		
Authorised and contracted for		
Total		

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

49 EVENTS AFTER THE REPORTING PERIOD

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

50 ULTIMATE AND HOLDING ENTITY

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

51 Currency

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

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18. APPENDICES

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 entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

David Mbiti Wambuli TVC
Chairman of the Board

Date.....

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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

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APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:			
	Break down of Transfers from the State Department of			
	FY 2019/2020			
a.	Recurrent Grants			
		<u>17/7/2019</u>	<u>1,000,000</u>	<u>2019/2020</u>
		<u>31/5/2020</u>	<u>1,000,000</u>	<u>2019/2020</u>
		Total	2,000,000	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total		
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total		
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total		

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

Finance Manager
 David Mbiti Wambuli TVC
 DAVID M. WAMBULI TECHNICAL &
 VOCATIONAL COLLEGE
 P. O. Box 3308-90100, MACHAKOS
 CEL: 0743 896 827

Head of Accounting Unit
 Ministry

Sign-----

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

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Donor Fund/Direct Payment	Total Amount KES	Where Recorded/recognized				Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	
Ministry of Education		Recurrent						
Ministry of Education		Development						
USAID		Donor Fund						
Ministry of Education		Direct Payment						
Total								