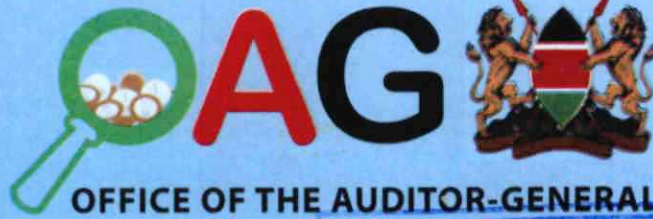


REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 05 JUN 2025

DAY.

REPORT

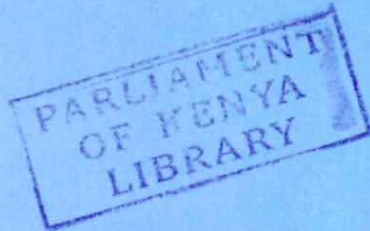
TABLED
BY:

DEPUTY MAJORITY
KHIP

OF

CLERK-AT
THE-TABLE:

CHRISTINE NDIRITU

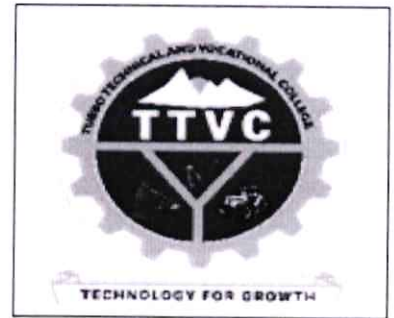


THE AUDITOR-GENERAL

ON

**TURBO TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR
ENDED 30 JUNE, 2023**



TURBO TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2023**

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

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Table of Contents

1. Acronyms & Glossary of Terms	iii
b.	iii
2. Key Turbo Technical Information and Management	iv
3. Information on Independent Auditors	vii
4. The Council/Board of Governors	viii
5. Key Management Team	x
6. Chairman’s Statement	xi
7. Report of the Chief/Senior Principal	xiii
8. Statement of Performance against Predetermined Objectives	xv
9. Corporate Governance Statement	xxii
10. Management Discussion and Analysis	xxiii
11. Environmental And Sustainability Reporting Statement	xxiii
12. Report of the Council/Board of Governors	xxvi
13. Statement of Board of Governors/ Council’s Responsibilities	xxvii
14. Report of the Independent Auditor	xxix
15. Statement of Financial Performance for The Year Ended 30 June 2023	1
16. Statement of Financial Position as at 30th June 2023	2
17. Statement of Changes in Net Asset for The Year Ended 30 June 2023	4
18. Statement of Cash Flows for The Year Ended 30 June 2023	5
19. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023	6
19. (a) Budget notes	6
20. Notes to the Financial Statements	7
23. Appendices	37

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in Turbo Technical
CFAO	Corporation for Africa and Overseas
NG-CDF	National Government Constituency Development Fund
TVET	Technical vocational Education and training
KENET	Kenya Education Network
VDI	Virtual Desktop Infrastructure
CBET	Competence Based Education and Training
LMS	Learning Management System
ECL	Expected credit Loss.

2. Key Turbo Technical Information and Management

(a) Background information

Turbo Technical and Vocational College was incorporated/ established under the TVET Act/ 2013 Act on (11th February 2021). Turbo Technical and Vocational College is domiciled in Kenya and has no branches. The institute is under the Ministry of Education.

Turbo technical and Vocational College opened its first doors to new students' admissions in the month of October, year 2020. Turbo TVC is located in Uasin Gishu County, Turbo Constituency, Kamagut ward. When the college was established the area community benefitted so much as there was no nearby college providing such courses and taking students at a more convenient and reliable environment. The college in its 2nd year since operation has managed to admit more than 400 students who are taking Artisan, Craft and Diploma levels.

There are four departments currently formed under the TVET Act 2013 which are Building and Civil Engineering Department, Automotive Agriculture and Welding Department, Information Communication and Technology Department, Business and Developmental Studies Department. More department to be incorporated in future.

(b) Principal Activities

The principal activity/mission/ mandate of Turbo Technical and Vocational College is to ...

The Vision of the institution is to be an exemplary regional and global TVET Centre in research and innovation.

The Mission of the institution is to produce competent human capital through innovative technological training and research for a dynamic economy.

The core functions or objectives of Turbo Technical and Vocational College are

1. To provide quality technical, knowledge, skills and attitudes for manpower development
2. To advance relevant knowledge and its practical application through research and innovation.
3. To increase student access to courses by offering a wide range of TVET courses.
4. Aspire to provide to provide an all-inclusive training.

(c) Key Management

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

Turbo technical and Vocational College is under the Board of Governors.

The Accounting officer is the principal. The principal is in-charge of administrative and financial functions of the college

The Institution has two Deputy Principals taking administrative and academic functions separately

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mr. Stedi L. Boniface
2.	Deputy principal Administration	Mr. John K Chumba
3	Deputy principal academics	-
4	Registrar (s)	Mr. Moses Mbatiany (Ag)
5	Dean of students	Mr. Josphat Kosgei (Ag)
6	Head of Finance	Mr. Cerrick Kirwa

Key Turbo Technical Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The Board of Governors' Sub-committees facilitate decision making to assist the Board in execution of its duties, powers and authority; however, delegation of authority to the committees does not in any way take away the prerogative powers of the Main Board in discharging its duties. The Committees have been established with formal written terms of reference to guide their activities. The duties of the respective committees are to strategize, monitor and evaluate the execution of the various factions in Turbo Technical.

The Finance committee is in charge of budgetary approvals and development projects evaluation and performs routine checks and balances to the finances of the institution. The committee is also in charge of recruitment and staff appraisals.

The Audit committee on the other hands ensures that the internal controls and procedures are adhered to and all material areas are put into scrutiny to safeguard the college assets and to curb any financial threat.

The Education committee is in charge of developing of education policies and make sure the progress of Turbo Technical is academically a priority and the learning environment is conducive for students as well as their welfare. In the Financial Year 2022-2023, the following Board sub-committees were in place:

1. Finance and Human Resource Committee

- i) Mr. Haron A.K.Sitienei Chairperson
- ii) Dr. Boit Serem Rose Chepleting
- iii) Dr. Fatuma Daudi
- iv) Mr. Jeoffery M. Mutiso

2. Education Committee

- i) Mr. Jeoffrey M. Mutiso _ Chairperson
- ii) Dr. Wesley K. Mutai
- iii) Mr. Bernard Barasa Wekesa

3. Audit and Risk Committee

- i) Mr. Alex Haron Sitienei – Chair Audit Committee
- ii) Mr. Benard Baraza
- iii) Dr. Wesley Mutai
- iv) Dr. Fatuma Daudi

(f) Turbo Technical Headquarters

P.O. Box 9722
Turbo TVC Building
Eldoret, Bungoma Jua Kali Highway/ Sugoi junction
ELDORET, KENYA

(g) Turbo Technical Contacts

Telephone: (254) 718000132
E-mail: tvcturbo@gmail.com
Website: www.turbotechnical.ac.ke

(h) Turbo Technical Bankers

Kenya Commercial Bank
Eldoret West Branch
P.O. Box 48400- 00200
Nairobi, Kenya

3. Information on Independent Auditors

(i) Independent Auditors



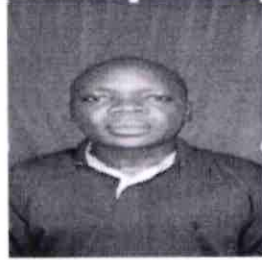

Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya




(j) Principal Legal Adviser

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

Xxxx TVET/National Polytechnic/Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 20XX




4.The Council/Board of Governors

No.	Member/ Director	Details
1.	 Mrs. Dinah Kirwa, MBA HR – Chairperson Board of Governors	<p>Dinah Kirwa was Born on 27/7/1969. She is the current Chairman of Board of Governors of Turbo Technical and Vocational College.</p> <p>Currently</p> <ul style="list-style-type: none"> i) PhD in Leadership and Governance, Jomo Kenyatta University of Science and Technology. Completed course work and currently working on the thesis proposal. ii) Moi University, Master of Philosophy in Human Resource Development. iii) Human Resource specialist, a team player, results oriented individual who can work under pressure with no supervision. I am a person of high integrity, honest, very professional and emotionally stable. My greatest strength is in strategy executive, policy development and leadership. An active member of institute of Human Resource management (IHRM) Kenya. Membership number 01464 iv) Member of East and Central Africa social Security Association. <p><u>Other Professional Engagements</u> Consultant, AMPATH project, Eldoret rubber and tyre company Facilitate HR activities in Church. Provided mentorship to many young professionals</p>
2.	 Dr. Wesley Kiprotich Mutai Member Board of Governors	<ul style="list-style-type: none"> - Lecturer Moi University Department of Technology Education - Holder of Doctor of Philosophy in technology Education (TVET) - Holds Master of Philosophy in Technology Education (Electrical Technology) - Registered with Energy Regulatory Commission as a Licensed Electrician - Member of Institution of Engineering Technologists and Technicians (IET) <p><u>Other Professional Engagements</u> - Member of Governing Council of the Eldoret National Polytechnic. - Chairman BOM of Chemaner Secondary School</p>
3.	 Mr. Benard Taabu Barasa Member Board of Governors	<ul style="list-style-type: none"> - Employed as a Senior Mechanical Maintenance Technician / Assistant team Leader at Tata Chemicals Magadi Company Limited - Trained for PLC (Programmable Logic Controllers), Power Transmission by SKF, L.S.S. Blue Belt. - Has a Bachelor's degree in Mechanical Engineering. - Supervision of Technicians and Assistant Technicians during maintenance work. - Modifies plant systems to improve on plant performance
4.	 Mr. Jeffrey M. Mutiso Member Board of Governors and Chair Education Committee	<ul style="list-style-type: none"> - Ongoing PhD in development Studies - Lecturer at Moi University (Department of Sociology, Psychology and Anthropology) - Member of Human Rights Society Kenya - Member of Rotaract club (Kenya Chapter) - Member of Red Cross Society

<p>5.</p>	 <p>Dr. Fatuma Daudi Member Board of Governors</p>	<ul style="list-style-type: none"> - Dr. Fatuma Daudi is Lecturer at the Department of Environmental Monitoring Planning and Management at the School of Environmental Studies University of Eldoret. - She holds a Doctorate in Environmental Planning and Management from Moi University. Research interests are in Environmental Conservation, Disaster Management, sustainable Development, Gender and Environment and Community participation. <p><u>Other Professional Engagements</u></p> <ul style="list-style-type: none"> - She also served as the co-ordinator, EIA/EA training at the School of Environmental Studies. - She also serves as the Chair to the BOM Ummahat Integrated School. - Senate Representative University of Eldoret school of Environmental Studies.
<p>6.</p>	 <p>Haron Alex K. Sitienei Member and Chair Audit Committee</p>	<ul style="list-style-type: none"> - Haron Alex Sitienei was born on 7th September 1977 - Ongoing Phd in Project Planning and Management - To date, Senior Clerk County Assembly of Uasin Gishu <p><u>Other Professional Engagements</u></p> <ul style="list-style-type: none"> - Member, Project Managers Association of Kenya - Member, Computer Society of Kenya - Member of Institute of Management - IMIS Member - Member of CISCO (CCNA)
<p>7.</p>	 <p>Dr. Boit Serem Rose Jelepating, DPHIL; MU, MBA, Bed- Decision Making and Development (Hons)</p>	<ul style="list-style-type: none"> - Dr. Boit Serem is currently the Chief officer, Department of Trade Investment and Industrialization, Nandi County - Full time Lecturer at Department of Management Science, school of Business and Economics Moi University. <p><u>Other Professional Engagements</u></p> <ul style="list-style-type: none"> - She is Member of European Centre for Research Training and Development, - Member of KIM. - Member of Africa Academy of Management.
<p>8.</p>	 <p>Mr. Stedi L. Bonface Secretary to the Board of Governors</p>	<p>Secretary to the BoG</p> <p>Mr. Stedi L. Bonface is currently the Secretary to the BoG Turbo Technical and Vocational College.</p> <ul style="list-style-type: none"> - 2023 April-to Date: Principal Turbo Technical and Vocational College. - 2019 March -to 2023 March: Principal Lodwar Technical and Vocational College. - 2013-2019: HoD Building and Civil Eng. Department-Eldoret National Polytechnic. - 2011-2019: Management Representative-Eldoret National Polytechnic. - 2016 – 2019: Lead KEFEP1- CIGan Project – Eldoret National Polytechnic.

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

5. Key Management Team

No.	Member/ Director	Details
1.	 <p>Mr. Stedi L. Bonface Principal/ Accounting Officer</p> <p>Key qualifications:</p> <ul style="list-style-type: none"> • MPhil Tech. Ed (Building and Civil Engineering) • Bed Tech (Building and Civil Engineering) • Senior Management Course (Baringo) 	<p>Principal/ Turbo TVC - 2023 April-to Date: Principal Turbo Technical and Vocational College.</p>
2.	 <p>Mr. John Kipkemboi Chumba Deputy Principal</p>	<ul style="list-style-type: none"> - Currently the Deputy Principal - Bed Tech - Mechanical Engineering - Diploma in Agricultural Engineering - Diploma in Technical Education - Certificate in Agricultural Machinery Operations and Maintenance - Jiansu Task of Forestry China - TVETA trainer and Verifier.
3.	 <p>Cerrick Kirwa CPA- K Diploma in Business Management Bachelors in commerce (Accounting)</p>	<ul style="list-style-type: none"> - Finance Officer - Accountant

6. Chairman's Statement

I take this opportunity to thank the appointing Authority and the stakeholders of Turbo Technical and Vocational College for granting me the opportunity to chair the Board of Governors.

The Board was inaugurated in February the 11 of 2021 and subsequently took over their strategic role in the affairs of the College. I sincerely appreciate the Board of RVTI for their role in providing mentorship to the College, from initiation to its establishment.

The BOG is now fully operation and three committees of the Board have been established; Education and Finance committee to provide the technical guidance and advice required and ensure the Governance requirements are met and adhered to. Over ninety 90% of the Board members have gone through the induction program organized by the Ministry of Education, State Department of Vocational and Technical College to prepare them for their roles.

Turbo Technical and Vocational College opened its first doors to new student's admission in October 2020. The College is located in Uasin Gishu county, Turbo constituency, with a reasonable population which provide huge potential for student uptake at the College. The College is in its second year of operation with 146 students admitted both Kenya Central Universities and Colleges Placement System placement and Self sponsored students.

The college currently has four departments and offers technical training as per the TVET Act 2013. The four departments are.

- Building and Civil Engineering department
- Information and Communication Technology department
- Business and Developmental Studies Department
- Automotive and Agriculture department

The Board and Management are working closely with other stakeholders in the Community and the County Government to explore small innovative courses that will provide the needed skills and act revenue sources for the college.

The principal of the school, the deputy and a team of 12 training staff are working hand in hand to ensure that the students receive adequate training and are prepared well for the National examinations. The Board of Governors appreciate both teaching and non-teaching staff for their commitment and dedication to the success of the College.

The College is still in its early stages of development and as such, still facing challenges of scarcity of both financial and human resources. There is heavy dependence of trainers employed by the Board of Governors. Most of the financial resources therefore goes to payment of salaries. Delays in payment of capitation funds is impacting heavily on service delivery and it is the prayer of the Board that capitation disbursement be done promptly.

Other facilities such as water and Hostels remain a challenge. We have however reached out to stakeholders and community for support and partnership in meeting these needs. We hope that these discussions will bear fruit and that some of the needs will be made. The Hostels are particularly an area of priority given that the College is already admitting students from all over the Country through KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SSERVICE (KUCCPS).

The Board appreciates the County Government of Uasin Gishu for choosing the College for its tree planting day this year and for sponsoring student for welding courses. I wish to also appreciate the Constituency Development Fund (CDF) office for partial sponsorship to students from the constituency courtesy of the area member of parliament.

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

I wish to finally request the Ministry to consider posting more trainers to the College to enable it to provide quality training and meet its objectives.

Thank you .



DAVID NG'ETICH.
BOG Chairperson

7. Report of the Chief/Senior Principal

Turbo Technical and Vocational College opened its door to students on October 2020.

This institution was mentored by Rift Valley Technical Training Institute-Eldoret.

The institution is managed by the Board of Governors that has been inducted by the State Department of Vocational and Technical Training.

We have a training staff of 12 and a non-training staff of 8 with a student's population of over 200. Seven (7) of the training staff are employed by the public service while the remaining 6 are under the Board of Governors. The National Government Constituency Development Fund (NG-CDF) Turbo constituency has continually supported trainees who hail from within the constituency on application for funding. We have developed good partnerships with Toyota Kenya (CFAO) and car and General who have committed to sponsor some trainees and engage some on internship and attachment.

We have the following Department:

- (I) Building and Civil Engineering Department
- (II) Information Communications Department
- (III) Business and Development studies Department
- (IV) Agriculture Department.

The institution is connected to internet through the KENET as the service provider which has been very effective.

The Technical and vocational Education and Training (TVET) institutions within the region are organizing a regional Learning Management System (LMS) that will be cost shared.

There are three courses in the brochure that do not have students as indicated in the Education report.

We accepted the communities request to start new course such as Agriculture, Automotive and Welding. We have approached the approving body Technical and vocational Education and Training Authority (TVETA) and they have accepted. We also have intention of starting short courses for income generating activities such as:

- (a) Hair dressing and Beauty Therapy for three months
- (b) Driving school for three months
- (c) Cabro blocks production

We are engaging the National Government -Constituency Development Fund for Turbo Constituency to support us on the following projects:

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

1. External toilets
2. Power house
3. Gate house
4. Security House

We are also engaging the County Government of Uasin Gishu to support us in the following project:

1. Drilled Bore hole
2. Elevated steel tank
3. Vehicles for automotive training

In the month of May 2023, the member of parliament organized a sensitization of Technical and vocational Education and Training (TVET) institutions in all the Sub-Counties where we participated and informed the public about the existence of the institution.

We have also been using the Facebook and our website to advertise for our courses. Through Kenya universities and colleges central placement service (KUCCPS).

Have also sent us a list of 252 students from around the country and some of them have reported. We applied for 21 courses to be registered and we appreciated the approving Technical and vocational Education and Training Authority (TVETA) for accepting 18 courses. We are affiliated with Kenya Association of Technical Training Institutes, registered with through KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE (KUCCPS).

And our students benefit from Higher Education Loans Board. We have been identified by the Governor UG County as an institution to host the World Forest Day which was, we conducted successfully.

Some of the challenges include:

1. Delay of disbursement of Higher Education Loans Board and Capitation funds.
2. Sufficient funds to advertise and market the institution.
3. Shortage of Public Service Commission trainers.
4. More space for expansion.
5. No vehicle for local operations.
6. Lack of enough water for domestic use

With all the above and many more, we look forward to serving the Kenyan Youths and make Turbo Technical and Vocational College a better place.

Thank you.



Stedi L. Bonface
Principal / Secretary BOG.

8. Statement of Performance against Predetermined Objectives

TTVC has 12 strategic pillars /issue's/ themes and objectives within current Strategic Plan for the FY 22-23. These strategic pillars are as follows:

1. Competent Graduates
2. Facilities and Infrastructure Development
3. Trainees Welfare
4. Research and Innovation
5. Institutional Capacity
6. Governance
7. ICT integration
8. Resource Mobilization
9. Curriculum Implementation and Development
10. Human Resource Development
11. Enrolment and tracer studies
12. Linkages, partnership and Networking

TTVC develops its annual work plans based on the above 12 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2022/23 period for its (12 No.) strategic pillars, as indicated in the diagram below:

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
1. Competent Graduates	<ul style="list-style-type: none"> • To produce competent graduates • To implement programs that are market driven. 	- Additional marketable courses at Turbo TVC	<ul style="list-style-type: none"> - Marketing - Questionnaires 	<ul style="list-style-type: none"> - 32 approved more CDACC courses added to the previous 15 approved KNEC courses - Increase in trainee's intake from 310 the year 2022 to 509 trainees June 2023
Facilities and infrastructure Development	To provide adequate infrastructure to support expanded mandate of TTVC	<ul style="list-style-type: none"> - Investing in learning facilities and infrastructure by fully implementing what is outlined in the Master plan - Acquiring modern equipment that will enhance effective and efficient delivery of programs/ courses. 	<ul style="list-style-type: none"> - Jitume Trainings - No. of Practical lessons for Hair dressing and Electrical departments. 	<ul style="list-style-type: none"> - Levelling of the games ground - 2 Workshop shelter constructed - 1 Abolition block - Jitume Lab equipped to accommodate 100 persons.
- Trainees Welfare	- To enhance student welfare	<ul style="list-style-type: none"> - Collaborating with the community to provide hostels - Provision of recreation facilities. - Availing 	<ul style="list-style-type: none"> - No. of hostels constructed - No. of students being accommodated by the tenants - No. of 	<ul style="list-style-type: none"> - More than 6 hostels to the additional 3 hostels have been constructed by the community

		<p>guidance and counseling services.</p> <ul style="list-style-type: none"> - Establish Career guidance office 	<p>students changing their morals values.</p>	<p>A counselling office has been established</p>
<p>Research and Innovation</p>	<ul style="list-style-type: none"> - To undertake research that will deepen knowledge and stimulate innovation 	<ul style="list-style-type: none"> - Strengthen its capacity for research. - Carry out various researches and innovations informed by the needs of the industry 	<ul style="list-style-type: none"> - Attendance list of the trade fair in the college - Attendance list of the students presenting the innovations in the trade fairs. 	<p>Held 1 Trade fair in the college Participated in 3 innovation trade fairs</p>
<p>Institutional Capacity</p>	<ul style="list-style-type: none"> - To achieve quality service deliver - To attract and retain skilled, motivated and productive staff 	<ul style="list-style-type: none"> - Initiate management information systems and quality assurance - Recruit, select and retain adequate human resource with the right skills and competencies. - Implement initiatives for motivating staff such as attractive terms and condition of service. - capacity building and provision of adequate tools and equipment. 	<ul style="list-style-type: none"> - No. of advertised positions - No. of newly employed staff - Attendance list of the MIS launching in place. 	<p>2 Recruitment of staff both PSC and BOG has been achieved 5 module system has been put in place to assist the staff delivery services</p>
<p>Governance</p>	<ul style="list-style-type: none"> - To maintain and continually improve principles of good 	<ul style="list-style-type: none"> - Establish clear governance structures - Establish organizational 	<ul style="list-style-type: none"> - No. of appointment letters - No. of job evaluations 	<p>Achieved more than 20 new appointment trainers and</p>

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

	governance	<p>structure to make it responsive to the emerging trends</p> <ul style="list-style-type: none"> - Develop job descriptions and job specifications - Conduct job evaluations - Make appointments and promotion of staff on merit - Fully adhere to the provisions of relevant Acts, regulations and guidelines - Engage in effective risk management. 	for the FY	<p>BOG staff 15 BOG staff were evaluated. A clear Turbo TVC organizational structure in place.</p>
ICT integration	<ul style="list-style-type: none"> - To integrate ICT in management and teaching-learning 	<ul style="list-style-type: none"> - Initiate and operationalize ICT infrastructure • Install a CCTV network • Expand internet bandwidth based on usage and demand - Expand Wi-Fi coverage to the entire institute compound. - Acquisition and installation of requisite software and equipment for the Virtual learning center Strategy - Establish MIS to capture all 	<ul style="list-style-type: none"> - Present ICT policy document - MIS system in place - No. of cameras supporting the CCTV surveillance - The size of speed and coverage area of the expanded internet 	<p>ICT policy in place (Draft I) Optimum MIS in place Installed CCTV with 7 cameras Expanded and a reliable internet network to accommodate the students</p>

		<p>administrative functions within plan period</p> <ul style="list-style-type: none"> - Implement recommendations of ICT audit and ICT policies, regulations and procedures 		
Resource Mobilization	<ul style="list-style-type: none"> - To identify, secure and manage financial resources efficiently and effectively 	<ul style="list-style-type: none"> - Lobby constituency and national and county governments for additional funds. - Initiate and operationalize income generating activities - Lobby for funding from international donors, partners and industry. - Managing financial resources prudently - Comply with government PFM acts and treasury circulars - Comply with government procurement regulations - Conduct impact audits on expenditure - To streamline the purchasing and procurement system 	<ul style="list-style-type: none"> - Total amount funds received from funding organizations - Procurement plan documentation in place - Audit policy documentation in place 	<ul style="list-style-type: none"> - Planted 12 acres of maize plantations to feed the students. - 100 students being funded by the CDF through the MPS office

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

		<ul style="list-style-type: none"> - Prioritizing and allocation of financial resources. 		
Curriculum Implementation and Development	<ul style="list-style-type: none"> - To implement and design market oriented and demand-driven programmes 	<ul style="list-style-type: none"> - Implement approved course syllabi - Obtain accreditation and licensing from relevant legal and regulatory bodies - Promote flexible and blended learning - To design and implement competency-based courses (CBET) - Operationalizing partnership with the industry in the implementation of the curriculum. 	<ul style="list-style-type: none"> - No. of approved course syllabi in the college - Total no. of accredited courses 	<ul style="list-style-type: none"> - 29 additional CDACC courses approved
Human Resource Development	<ul style="list-style-type: none"> - To attract and retain competent Staff - To provide an enabling environment for teaching and non-teaching staff to develop themselves. 	<ul style="list-style-type: none"> - Carry out capacity building - Establish a performance reward system - Review terms and conditions of service. - Appraise staff annually 	<ul style="list-style-type: none"> - No. of capacity building training held - NO. of reviewed positions - No. of staff appraised 	<ul style="list-style-type: none"> - 12 BOG staff appraised - 1 bench marking to The Eldoret Polytechnic
Enrolment and tracer studies	<ul style="list-style-type: none"> - To optimize student enrolment. 	<ul style="list-style-type: none"> - Monitor the optimum capacity per course - Carry out 	<ul style="list-style-type: none"> - Percentage increase in student intake - No of marketing 	<ul style="list-style-type: none"> - Placing the HELB icon on the college website - Increase of

Turbo Technical and Vocational College

Annual Report and Financial Statements for the year ended 30th June 2023

		<p>continuous marketing for brand recognition.</p> <ul style="list-style-type: none"> - Sensitize trainees on HELB loans and other avenues of financing - Conducting guidance and counselling on a continuous basis 	<p>events</p> <ul style="list-style-type: none"> - Increase in the HELB loan funding 	<p>student intake from 310 to 509 trainees</p> <p>Increase of marketing events from 10 to 25 marketing events</p>
<p>Linkages partnerships and Networking</p>	<ul style="list-style-type: none"> - To Strengthen and enlarge linkages with strategic partners nationally and internationally - To improve TTVC online presence 	<ul style="list-style-type: none"> - Engage MIS and ICT departments - Engage customer care office - Establish linkages partnerships and liaising with industrial organizations to explore ways of putting into use technologies or innovations that have been developed and attachments 	<ul style="list-style-type: none"> - No. of students gone for attachment - No. of MOUs established with Turbo TVC 	<p>3 firms have established MOUs with Turbo TVC</p> <p>More than 50 trainees gone for attachment.</p>

9. Corporate Governance Statement

1. Board meetings attendance

The board holds its meeting at least once every quarter. The same applies to the board committees. In FY 2022/2023, Meetings were held as follows.

	Nature of the meeting	ordinary	special	total
1	Inauguration	1		1
	Handing over	1		1
	Full board meeting	1		1
	Finance committee	1		2
	Education committee	1		1

2. Code of conduct /responsibilities of board members.

Turbo TVC Board of Governors relies on the prescription of the TVETA Act, 2013 on the description of its responsibilities, functions and structure and ethical conduct.

3. Appointment and removal of board of governors

The appointment and removal of the Board of Governors is prescribed under the TVETA Act, 2013 the appointing authority takes into consideration skills mix in selection to ensure persons with key specialization are included such as Engineering, Finance, ICT, Technical areas etc. it also factors in gender and ethnic representation as per the constitution. The current Board of Governors was appointed by the permanent secretary ministry of Education science and technology in February 2021 and lapses in February 2023.

4. Training

The Board of Governors are scheduled to attend training in corporate governance organized by the Ministry through the TVETA in July 2022.

5. Board performance evaluation

There is a formal process for reviewing and evaluation of Boards performance and its committees.

6. Conflict of interest

Declaration of conflict is maintained in all meetings. A register of conflict of interest is maintained by the college to record all the declarations.

7. Board remuneration

The board are entitled to sitting allowance as the Board consensus.

8. Succession plan

The current board does not have a succession plan as members appointed were given the same duration of tenure. The college will discuss with the parent Ministry to stagger the appointment of the board members.

9. Governance Audit.

As of to date no audit has been undertaken but going forward such an audit will be conducted.

10. Management Discussion and Analysis

Turbo 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, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

11. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

Turbo Technical and vocational College currently has no sustainability strategy, but the management and the board of governors are trying to lead this transition, and to induce changes in this new paradigm. The institution has a cordial working relation with the Member of Parliament who has greatly engineered our prosperity by offering funds and vowing to fund other major projects soon. Also, the institution is trying to engage in income generating projects such as block making and cabro making which is an extra source of income. We have also enhanced extensive marketing to ensure we get more students in order to receive more revenue.

Turbo technical and vocational college desire to enhance its visibility, performance and competitiveness in the tertiary education sector. However, to achieve these objectives the college requires a lot of support from the other stakeholders and Government in terms of funding and moral support and other contributions. The challenges include delay in disbursement of capitation which leads to delay in settling the college obligations and implementing the college programmes. The college have limited tuition facilities e.g., lecture rooms and workshops which are used in delivering services to the students. The other challenge is on under staffing which also hinder quality service deliver.

Environmental performance

Under environmental performance, Turbo technical has no adverse environmental effect since it a learning institution and has a suitable learning environment conducive for both the learners and surrounding community. Currently there are no environmental related issues raised and we will endeavour to conserve the environment.

Employee welfare

Turbo TVC has a staff welfare policy outlined in TTVC Human Resource Policy and Procedure Manual.

The manual highlights clearly the Workmen compensation with the Work Injury Benefit Act (2007)

The staff in Turbo TVC are liable to monthly deductions towards SHA to cater for their medical expenses.

Turbo Technical and Vocational College

Annual Report and Financial Statements for the year ended 30th June 2023

Long service award is also encouraged and staff who have worked for more than 10 years are recommended for long service awards.

HIV /AIDS Policy is well laid out and the college doesn't discriminate against HIV positive employees.

Sexual harassment through verbal, Non-verbal and physical has a clear follow-up and investigation process is outlined very well in the manual.

In special cases where there are issues with counselling rehabilitation issues, a programme has been put in place to support those staff with various problems e.g. absenteeism, drug abuse and alcoholism.

The hiring process is stipulated very well in manual a vacancy has to exist or be part of the human resources requirement determined by the college based on the approved Turbo TVC organization structure. This is through an internal or external advertisement.

The candidates will undergo a shortlisting process, interview and an engagement of the successful applicants is finalised with a letter of appointment showing clearly the employee job title, engagement date, salary and other related matters pertaining the terms and conditions of service.

Market place practices-

The organisation should outline its efforts to:

- a) Responsible competition practice.
Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.
- b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.
- d) Product stewardship- outline efforts to safeguard consumer rights and interests.

Corporate Social Responsibility / Community Engagements

Turbo TVC has engaged in friendly matches with the community. The trainees and the trainers have interacted in different ball games. This has gone far in marketing and social interactions in having a harmonious working environment.

Turbo TVC has engaged with Ministry of Forestry in planting over 3,000 trees to support the Government initiative.

An agricultural trade exhibition at the college grounds under the support program Hand in Hand Eastern Africa was realized in the financial year. This allowed the community to come and experience and learn more on value chain agricultural products.

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Jitume program has been running in the college which allows the villagers or the community to come learn and earn money through the online platforms. Training's have been running and the community have been part of the training.

As part of cleaning the Environment the Agricultural department has maintained environmental plan in maintain the nearby markets, Dispensaries and schools, churches clean.

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

12. Report of the Council/Board of Governors

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of Turbo Technical and Vocational College's affairs.

Principal activities

The principal activities of Turbo TVC are

- i) To attract and retain competent Staff
- ii) To achieve a quality service delivery
- iii) Over 100 trainees were presented for KNEC examinations in June 2023 series.
- iv) PSC teaching staff increased from Five (5) to the current-twenty-three (23)
- v) Received donation from area MP of a used saloon car and two more used vans from MTRH for training purposes.
- vi) Constructed of 2 workshops for training purposes
- vii) Additional 3000 trees have so far been planted around the college compound
- viii) Debt settlements have been done in terms of aging and amount and that monies owed to RVTTI and that for seats were cleared.
- ix) Secured Full Scholarships from Toyota Kenya for six (6) trainees yearly.

Results

The results of Turbo Technical and Vocational College for the year ended June 30 are set out on page (i) to 37

Council/Board of Governors

The members of the Board who served during the year 2022 -2023 are shown on page viii, ix, x, xi. During the year no BOG retire nor resigned and 7 (seven) were appointed with effect from 11th March 2022 to date.

Auditors

The Auditor General is responsible for the statutory audit of Turbo Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of Turbo Technical and Vocational College for the year/period ended June 30, 2023, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on her behalf.

By Order of the Board



.....
Secretary of the Board/Council

Nairobi

Date:

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

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)) require the council members to prepare financial statements in respect of that Turbo Technical , which give a true and fair view of the state of affairs of Turbo Technical at the end of the financial year/period and the operating results of Turbo Technical for that year/period. The Council members are also required to ensure that Turbo Technical keeps proper accounting records which disclose with reasonable accuracy the financial position of Turbo Technical. The council members are also responsible for safeguarding the assets of Turbo Technical.

The Council members are responsible for the preparation and presentation of Turbo Technical 's financial statements, which give a true and fair view of the situation of Turbo Technical for and as at the end of the financial year (period) ended on June 30, 2023. 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 Turbo Technical , (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 Turbo Technical , (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for Turbo Technical '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) – entities should quote applicable legislation as indicated under). The council members are of the opinion that Turbo Technical 's financial statements give a true and fair view of the state of Turbo Technical 's transactions during the financial year ended June 30, 2023, and of Turbo Technical 's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for Turbo Technical, which have been relied upon in the preparation of Turbo Technical 's financial statements as well as the adequacy of the systems of internal financial control.

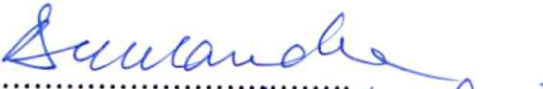
In preparing the financial statements, the principal has assessed Turbo Technical 's ability to continue as a going concern


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

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Approval of the financial statements

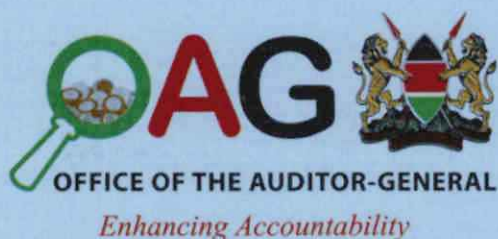
Turbo Technical financial statements were approved by the Board on 28TH September 2023 and signed on its behalf by:


.....
Name **David Njehich**
Chairperson of the Board/Council


.....
Name **STEDI BONFACE**
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON TURBO TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the Financial Statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Turbo Technical and Vocational College set out on pages 1 to 32, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in statement of net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Turbo Technical and Vocational College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis)] and comply with Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies, and Inconsistencies in the Financial Statements

The statement of financial performance reflects total revenue amount of Ksh.14,575,683 which varies with total actual revenue amount of Kshs.9,102,683 reflected in the statement of comparison of budget and actual amounts by an unreconciled amount of Kshs.5,473,000. Further, the statement of changes in net assets reflects capital grants/ funds opening balance of Kshs.55,307,825 which varies from the previous year's financial statements balance of Kshs.53,685,574 resulting in an unexplained variance of Kshs.1,622,251.

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

2. Inaccuracies in Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivable from exchange transactions balance of Kshs.6,127,454 as disclosed in Note 15(a) to the financial statements. However, the balance includes an amount of Kshs.5,750,722 which has been outstanding for more than one (1) year out of which a balance of Kshs,1,277,395 relates to students who had long exited the College. This balance should be reported separately under long term receivables from exchange transactions.

In the circumstances, the accuracy, completeness and recoverability of fees arrears amounting to Kshs.6,127,454 could not be confirmed.

3. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment net book balance of Kshs.110,340,658 as disclosed in Note 18 to the financial statements. However, the balance, includes land balance of Kshs.60,000,000 which was not supported by a valuation report. Further, the College did not maintain an asset register while ownership documents such as the land's title deed and motor vehicle log books were not provided for audit verification.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.110,340,658 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actuals on a comparable basis of Kshs.16,105,000 and Kshs.9,102,683 respectively

resulting in a shortfall of Kshs.7,002,317 or 43% of the budget. Similarly, the statement reflects an expenditure of Kshs.15,717,406 against an approved budget of Kshs.16,105,000 resulting in an under-expenditure of Kshs.387,594 or 2% of the budget.

The underfunding affected the planned activities and may have impacted negatively on service delivery

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the other information set out on page iv to xxviii which comprise of Key Information and Management, Council/Board of Governors, Key Management Team, Chairman's Statement, Report of the Chief/Senior Principal, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Council/Board of Governors and Statement of Board of Governors/ Council's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-Compliance with the Law on Ethnic Composition

A review of personnel records availed for audit revealed that the College had a total of twenty (21) employees out of which eighteen (18) or 85% of the staff were from the dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 that requires all public establishments to seek to represent the diversity of the people of Kenya in employment of staff and that no public establishment shall have more than one third of its establishment from the same ethnic community.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Human Resource Policies

During the year under review, the College did not have an approved staff establishment which could have provided guidance on the number of staff required and specific job cadres the College is authorized to have. Further, the College lacked an approved human resource policy and salary structure to regulate employee recruitment and progression while monthly payrolls were prepared without job groups or salary scales.

In the circumstances, the College may not effectively plan on its staffing needs and progression.

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

Responsibilities of the Management and Board of Governors

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Colleges (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and

systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 April, 2025

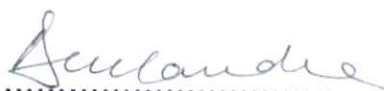
**Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023**

15. Statement of Financial Performance for The Year Ended 30 June 2023


	Notes	2022-2023 FY	2021-2022 FY
		Kshs	Kshs
Revenue from non-Exchange transactions			
Transfers from other National Government entities	6	9,500,000	4,007,500
Transfers from other levels of government	7	0	6,309,379
		9,500,000	10,316,879
Revenue from Exchange transactions			
Rendering of services- fees from students	8	5,075,683	8,139,430
Revenue from Exchange transactions		5,075,683	8,139,430
Total Revenue		14,575,683	18,456,309
Expenses			
Use of goods and services	9	9,015,583	5,559,654
Employee costs	10	3,558,000	3,407,366
Board /Council Expenses	11	485,100	861,000
Depreciation and amortization expense	12	1,550,823	1,623,261
Repairs and maintenance	13	1,107,900	371,090
Total Expenses		15,717,406	11,822,371
Net surplus/(deficit) for the year		(1,141,723)	6,633,938

(The notes set out on pages 7 to 32 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 01 to 32 were signed by:


.....
Chairman of Council/Board


.....
Finance Officer
ICPAK No.:26 731


.....
Principal

Date: 12/03/25

Date: 12/03/25

Date: 12/03/25

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

16. Statement of Financial Position as at 30th June 2023

Description	Notes	2022-2023 FY	2021-2022 FY
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	1,016,987	2,789,607
Current portion of receivables from exchange transactions	15(a)	6,127,454	4,634,985
Receivables from non-exchange transactions	16	5,473,000	0
Inventories	17	4,960,921	4,035,167
Total Current Assets		17,578,362	11,459,759
Non-Current Assets			
Property, plant, and equipment	18	110,340,658	53,685,574
Total Non-Current Assets		110,340,658	53,685,574
Total Assets		127,919,020	65,145,333
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	19	4,509,016	2,171,967
Current portion of borrowings	20	909,000	0
Total Current Liabilities		5,418,016	2,171,967
Non-Current Liabilities			
Non- Current Borrowings		0	952,890
Total non- current liabilities		0	952,890
Total Liabilities		5,418,016	3,123,857
Total Net Assets		122,501,004	
Accumulated Surplus		7,193,179	8,334,902
Capital Fund		115,307,825	53,685,574
Total Net Assets and Liabilities		122,501,004	65,145,333

The Financial Statements set out on pages 01 to 32 were signed by:

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023



Chairman of Council/Board

Date: 12/03/25



Finance Officer
ICPAK No 26731

Date: 12/03/25



Principal

Date: 12/03/25

17. Statement of Changes in Net Asset for The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2021 (previous year)	0	1,700,964	53,685,574	55,386,538
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	6,633,938	-	6,633,938
Capital grants received during the year	-	000	-	000
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	1,622,251	1,622,251
At June 30, 2022	-	8,334,902	55,307,825	63,642,727
At July 1, 2022 (current year)	-	8,334,902	55,307,825	63,642,727
Revaluation gain	0	0	60,000,000	60,000,000
Surplus/(deficit) for the year	-	(1,141,723)	-	(1,141,723)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	(-)	-
	-	7,193,179	115,307,825	122,501,004

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

18. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		4,027,000	10,316,879
Rendering of services- fees from students		5,571,819	1,775,141
Total Receipts		9,598,819	12,082,020
Payments			
Use of goods and services		6,354,417	5,559,654
Employee costs		3,423,022	3,407,366
Board /Council Expenses		485,100	861,000
Repairs and maintenance		1,107,900	371,090
Total Payments		11,371,439	10,199,110
Net Cash Flows from operating activities		(1,772,620)	1,892,910
Cash flows from investing activities			
Net cash flows used in investing activities		(0)	(0)
Cash flows from financing activities			
Proceeds From Borrowing		909,000	0
Repayment Of Borrowings		(909,000)	(0)
Net cash flows used in financing activities		0	(0)
Net Increase/(Decrease) in Cash and Cash equivalents		(1,772,620)	1,892,910
Cash and Cash equivalents at 1 JULY	14	2,789,607	896,697
Cash and Cash equivalents at 30 JUNE	14	1,016,987	2,789,607

19. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	9,500,000	000	9,500,000	4,027,000	5,473,000	58%
Rendering of services- fees from students	6,605,000	000	6,605,000	5,075,683	1,529,317	70%
Total Income	16,105,000	000	16,105,000	9,102,683	7,002,317	43%
Expenses						
Use of goods and services	8,384,630	1,473,825	9,858,455	9,015,583	842,872	9%
Employee costs	3,780,000	000	3,780,000	3,558,000	222,000	6%
Board /Council Expenses	670,000	300,000	970,000	485,100	484,900	50%
Repairs and maintenance	1,211,912	000	1,211,912	1,107,900	104,012	9%
Depreciation and amortization expense				1,550,823		
Total Expenditure	14,046,542	16,105,000	16,105,000	15,717,406	1,653,784	97%
Surplus For the Period	000	000	000	(6,614,723)		%

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

19a. Budget notes

During the financial year 2022-2023 there was a budget deficit due to underfunding by the government, this led to the management of college to prudently utilize the available funds by concentrating on the core mandate hence not affecting service delivery.

This also led to under expenditure in most votes.

The total Transfers from other National Government entities To turbo TVC was kshs.4,027,000 but the amount that was budgeted for was kshs.9,500,000 leaving a balance of kshs.5,473,000 which is receivable from non-exchange transaction . Thus by reconciling the amount to agree with the surplus /deficit in the statement of financial performance and that on of the statement of budget vs actual (-6,614,723+5,473,000) you get (1,141,723).

20. Notes to the Financial Statements

1. General Information

Turbo Technical is established by and derives its authority and accountability from TVETA Act. Turbo Technical is wholly owned by the Government of Kenya and is domiciled in Kenya. Turbo Technical's principal activity is Technical Education and Training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Turbo Technical 's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Turbo Technical. The values are rounded off to the nearest shilling. 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.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Turbo Technical 's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Turbo Technical 's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Turbo Technical provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by Turbo Technical. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on Turbo Technical 's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of Turbo Technical.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

4. Summary of Significant Accounting Policies

- a) Revenue recognition
 - i) Revenue from non-exchange transactions

Transfers from other government entities

Turbo Technical and Vocational College

Annual Report and Financial Statements for the year ended 30th June 2023

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 Turbo Technical and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

Turbo Technical 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 Turbo Technical.

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.

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.

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023
Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2022/2023 was approved by the Council or Board on *06 August 2022*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Turbo Technical upon receiving the respective approvals to conclude the final budget. Accordingly, Turbo Technical recorded additional appropriations of *7,185,360* on the FY 2022/2023 budget following the Council/ Board's approval. Turbo Technical 's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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 on page 1 under section 1 of these financial statements.

c) Taxes

Current income tax

Turbo Technical is exempt from paying taxes as per schedule **six** of the **income tax Act**.

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 an three-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(Turbo Technical to amend appropriately).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 or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, Turbo Technical 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.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to Turbo Technical. 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. Turbo Technical also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability 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 Turbo Technical 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 Turbo Technical. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

Turbo Technical expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Turbo Technical can demonstrate:

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Turbo Technical does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (Amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one Turbo Technical and a financial liability) or equity instrument of another Turbo Technical. At initial recognition, Turbo Technical measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

Turbo Technical classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both Turbo Technical 's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Turbo Technical has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, Turbo Technical classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where Turbo Technical manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

Turbo Technical assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. Turbo Technical recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

Turbo Technical classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

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

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

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

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.

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

Inventories

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 Turbo Technical.

k) Provisions

Provisions are recognized when Turbo Technical 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 Turbo Technical 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

Turbo Technical 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

Turbo Technical 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 Turbo Technical 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.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. Turbo Technical recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that Turbo Technical will incur in fulfilling the present obligations represented by the liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

Turbo Technical creates and maintains reserves in terms of specific requirements. (Turbo Technical to state the reserves maintained and appropriate policies adopted).

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

Turbo Technical does not provide retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Turbo Technical pays fixed contributions into a separate Turbo Technical (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.

p) 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.

q) Borrowing costs

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

r) Related parties

Turbo Technical and Vocational College

Annual Report and Financial Statements for the year ended 30th June 2023

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

s) Service concession arrangements

Turbo Technical *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, *Turbo Technical* 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, *Turbo Technical* *also* recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) 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.

u) Comparative figures

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) 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, 2023.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of *Turbo Technical'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. Turbo Technical 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 Turbo Technical. 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 *Turbo Technical*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. No Additional disclosure of these estimates of provisions is included.

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

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	9,500,000	3,007,500
Operational Grant	000	1,000,000
Unconditional Development grants	000	000
Other Grants	000	000
Total unconditional Grants	9,500,000	4,007,500
Total Government Grants and Subsidies	9,500,000	4,007,500

7. Transfers from Other Levels of Government

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfer from County XX	000	000
Transfer from Helb	000	000
Transfer from Rift Valley Institute	000	000
Total Transfers	000	000

Notes to the Financial Statements (Continued)

8. Rendering of services

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Fees	2,187,987	8,139,430
Activity Fees	645,000	000
Industrial Attachment Fees	51,300	000
Examination Fees	000	000
Library Fees	000	000
Facilities And Materials	000	000
Registration Fees	204,500	000
Personal emoluments	1,986,896	000
Total Revenue from The Rendering of Services	5,075,683	8,139,430

The revenue from exchange transactions reduced due to the decrease in the number of students

Notes To the Financial Statements (Continued)

9. Use of Goods and Services

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Teaching and learning materials	4,933,627	3,713,279
Industrial attachment costs	145,714	000
Electricity	222,000	292,505
Website maintenance	20,000	0
Subscriptions	150,800	217,218
Advertising	543,500	56,580
Examination fees	857,760	952,890
Audit fees	000	12,101
Travelling and accommodation	342,871	187,405
Activity	41,660	15,000
Bank charges	12,560	12,926
Telephone expenses	214,225	99750
Internet expenses	83,900	000
Training expenses	1,446,966	2,435,980
Total good and services	9,015,583	5,559,654

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes To the Financial Statements (Continued)

10. Employee Costs

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Salaries and wages	3,001,708	3,089,110
Employee related costs - contributions to pensions and medical aids	556,292	318,256
Employee Costs	3,558,000	3,407,366

11. Board/Council Expenses

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Directors Emoluments	485,100	861,000
Total	485,100	861,000

12. Depreciation and Amortization expense

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Property, plant and equipment	1,550,823	1,692,386
Total depreciation and amortization	1,550,823	1,692,386

Notes To the Financial Statements (Continued)

13. Repairs and Maintenance

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Property	1,107,900	371,090
Total Repairs and Maintenance	1,107,900	371,090

14. Cash and Cash Equivalents

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Current Account	1,016,987	2,789,607
Total Cash and Cash Equivalents	1,016,987	2,789,607

Notes To the Financial Statements (Continued)

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

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

Financial Institution	Account number	2022-2023 FY	2021-2022 FY
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		1,016,987	2,789,607
Equity Bank, etc.		000	000
Sub- Total		1,016,987	2,789,607
Grand Total		1,016,987	2,789,607

Notes to the Financial Statements (Continued)

15. Receivables from Exchange transactions

15(a) Current Receivables from Exchange transactions

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Current Receivables		
Student Debtors	6,127,454	4,623,985
Total Current Receivables	6,127,454	4,623,985

15(c) Ageing Analysis of Receivables from Exchange transactions

Description	2022-2023 FY		2021-2022 FY	
	Current F	% Of total	Comparative FY	% of the to
Less than 1 year	376,732	6%	xxx	%
Between 1- 2 years	1,888,802	31%	xxx	%
Between 2-3 years	3,861,920	63%	xxx	%
Over 3 years	000	%	xxx	%
Total (a+b)	6,127,454	100%	xxx	%

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023
Notes to the Financial Statements (Continued)

16. Receivables from non-Exchange transactions

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Current Receivables		
Capitation Grants*	5,473,000	4,007,500
Transfers from Other Govt. entities	000	6,379,262
Total Current Receivables	5,473,000	10,386,762

16(a) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	2022-2023 FY		2021-2022 FY	
	Kshs		Kshs	
	Current FY	% Of the total	Comparative FY	% of the total
Less than 1 year	000	%	000	%
Between 1- 2 years	5,473,000	%	000	%
Between 2-3 years	000	%	000	%
Over 3 years	000	%	000	%
Total	000	%	000	%

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

16(b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
At the beginning of the year	000	000
Additional provisions during the year	000	000
Recovered during the year	(000)	(000)
Written off during the year	(000)	(000)
At the end of the year	000	000

17. Inventories

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Maintenance stores	4,960,921	4,035,167
Total Inventories at lower of Cost and Net Realizable Value	4,960,921	4,035,167

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

18. Property, Plant and Equipment

Cost Percentage depreciation	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and Equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2021 (previous year)	000	53,386,310	000	1,491,000	141,950	199,375	-	55,218,635
Additions	000	000	000	-	90,200	-	-	90,200
Disposals	(000)	(000)	-	-	(000)	-	-	(000)
Transfers/Adjustments	000	(000)	000	(000)	(000)	-	-	(000)
At 30 th June 2022 (previous FY)	000	53,386,310	000	1,304,625	154,844	174,453	-	55,308,835
Additions	60,000,000	000	000	-	80,000	000	-	60,080,000
Disposals	(000)	-	-	-	(000)	-	-	(000)
Transfer/Adjustments	(000)	000	000	(000)	(000)	-	-	(000)
At 30 th June 2023 (current year)	60,000,000	53,386,310	000	1,491,000	312,150	199,375	-	113,765,574
Depreciation And Impairment							-	
At 1 Jul 2021 (previous year)	-	(1,404,903)	000	(248,500)	(141,950)	(79,750)	-	(1,835,813)
Depreciation	-	1,333,648	(000)	(186,375)	(77,306)	(24,922)	-	(1,622,251)
Disposals	-	-	-	-	000	-	-	000
Impairment	-	-	-	-	(000)	-	-	(000)
At 30 Jun 2022 (previous year)	-	(2,738,551)	000	(434,875)	(219,256)	(104,672)	-	3,458,064
Depreciation	-	(1,301,291)	(000)	(163,078)	(51,563)	(34,891)	-	(1,550,823)
Disposals	-	-	-	-	000	-	-	000
Impairment	-	(000)	-	-	(000)	-	-	(000)
Transfer/Adjustment	-	(000)	(000)	000	(000)	-	-	000
At 30 th Jun 2023 (current year)	-	(4,039,842)	(000)	(597,953)	(270,819)	(139,563)	-	(5,048,177)
Net Book Values							-	
At 30 th Jun 2022 (previous year)	-	52,051,652	000	1,304,625	154,844	174,453	-	53,685,574
At 30 th Jun 2023 (current year)	60,000,000	49,346,468	000	893,047	41,331	59,812	-	110,340,658

[There was no work in progress during the year under review

Included in PPE schedule is land which has no title deed and has not yet been valued by valuers but the value is based on the current market price NOT included in the PPE is equipment's, computers and machinery which were delivered by the ministry without their value.]

**Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023**

Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The land is yet to be valued.

18 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	60,000,000	000	60,000,000
Buildings	53,386,310	4,039,842	49,346,468
Plant And Machinery	199,375	139,563	59,812
Motor Vehicles including Motorcycles	000	000	000
Computers and Related Equipment	312,150	270,819	41,331
Office Equipment, Furniture, And Fittings	1,491,000	597,953	893,047
Total	115,388,835	5,048,177	110,340,658

19. Trade and Other Payables

Description	2022-2023 FY		2021-2022 FY	
	Kshs		Kshs	
Trade payables	3,887,234		1,973,718	
Fees paid in advance	621,782		198,239	
Salary deductions	000		000	
Third-Party Payments	000		000	
Other Payables	000		000	
Total Trade and Other Payables	4,509,016		2,171,967	
Ageing analysis:	2022-2023 FY	% of the Total	2021-2022 FY	% of the Total
Under one year	2,661,166	52%	000	000
1-2 years	1,847,850	48%	000	000
2-3 years	000	%	000	000
Over 3 years	000	%	000	000
Total (to tie to totals above)	4,509,016	%	2,270,380	000

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

Turbo Technical also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. Turbo Technical's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 600 per employee per month. Other than NSSF Turbo Technical also has no other defined contribution scheme operated.

19b. Payments Received in Advance

Description	2022-2023 FY		2021-2022 FY	
	Kshs		Kshs	
Fees received in advance	621,782		000	
s (Specify)	000		000	
Total	621,782		000	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	621,782	%	000	%
1-2 years	000	%	000	%
2-3 years	000	%	000	%
Over 3 years	000	%	000	%
Total	621,782	%	000	%

20. Borrowings

Description	2022-2023 FY		2021-2022 FY	
	Kshs		Kshs	
Balance at beginning of the year	000		000	
External borrowings during the year	xxx		xxx	
Domestic borrowings during the year	909,000		952,890	
Repayments of external borrowings during the year	(909,000)		(952,890)	
Repayments of domestic borrowings during the year	(xxx)		(xxx)	
Balance at end of the year	000		000	

Notes to the Financial Statements (Continued)

21.(i) Financial Risk Management

Turbo Technical'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.

Turbo Technical's financial risk management objectives and policies are detailed below:

(ii) Credit risk

Turbo Technical 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.

Notes to the Financial Statements (Continued)
Financial risk management (continued)

(iii) Market risk

Turbo Technical has put in place an internal audit function to assist it in assessing the risk faced by Turbo Technical 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 Turbo Technical'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.

Turbo Technical'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 Turbo Technical's exposure to market risks or the manner in which it manages and measures the risk.

22. Related Party Balances

Nature of related party relationships

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

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

23. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

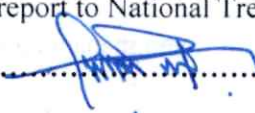
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/CRRO/TURBO TVC/2021-2022/ (22)	Inaccuracy in the financial statement	The financial statement was amended	resolved	
OAG/CRRO/TURBO TVC/2021-2022/ (22)	Inaccuracy of property, plant and equipment	Property plant and equipment to be restated	resolved	
OAG/CRRO/TURBO TVC/2021-2022/ (22)	Inaccuracy of student debtors	Management to procure ERP to manage students' records	resolved	
OAG/CRRO/TURBO TVC/2021-2022/ (22)	Inaccuracy of board expenses	Signed minutes to be provided Appointment letter to be provided Board to conduct evaluation of its performance Board charter to be developed	resolved	
OAG/CRRO/TURBO TVC/2021-2022/ (22)	Lack of Human resource manual	The Turbo Technical Human resource manual is in draft stage and yet to be approved by the board	Not resolved	1/07/2025
OAG/CRRO/TURBO TVC/2021-2022/ (22)	Failure to adhere to ethnic composition	Management to ensure ethnic composition is adhered to in subsequent employment	Not resolved	1/07/2025

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;

Turbo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Turbo Technical 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.

.....

Name STEDI BONFACE
Accounting Officer
(Principal /Secretary B.O.G)
Date 12TH March 2025