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DATE: 29 MAY 2025	DAY: Thursday
REPORT	
TABLED BY:	Hon. Benson Kariuki, MP Deputy Leader of majority party
CLERK-AT THE-TABLE:	Hatim Ahmed

OF

THE AUDITOR-GENERAL

ON

TIGANIA EAST TECHNICAL AND
VOCATIONAL COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2024



Tigania East Technical and Vocational College

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2024**

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



Tigania East Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Tigania East Technical and vocational College is a government sponsored College under the Ministry of Education, State Department for Technical & Vocational training. It was incorporated in the year 2020 under the TVET Act 2013. The institution is domiciled in Kenya and has its head office in Mikinduri Town, Tigania East Constituency, Tigania Central District in Meru County.

The core mandate of the College is to equip young people with knowledge, skills and attitudes needed to secure employment in today's labour market. As a TVET institute, this is recognized as a driving vehicle towards achieving the Country's BIG4 agendas and the Vision 2030.

As a Centre of Excellence in Refrigeration and Air Conditioning, Tigania East Technical and Vocational College opened its doors on the 4th September 2020 and the first batch of 26 students was admitted on 26th October 2020.

The Institution sits on a 5-acre parcel of land not properly demarcated and in a serene environment conducive for learning and personal development. The institution is well equipped and adequately staffed to offer market driven skills and knowledge to its trainees through inspired innovation, creativity, reliability and responsiveness with utmost goal of releasing all rounded graduate.

(b) Principal Activities

The principal activities of Tigania East Technical and Vocational College is to offer skills technical and vocational education and training, the mission and vision are outlined as Follows;

Mission

To promote technical, vocational education and training (TVET) programs for self – Reliance and sustainability.

Vision

To be globally recognized institute in technical, vocational education, training, research and innovation.

c) Key Management

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

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

- The Principal
- Deputy Principal Administration
- Deputy Principal Academics

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- Dean of students
- Registrar
- Finance Officer

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Wilfred Kimathi Kamunde
2.	Deputy Principal Administration	Peter Kamau Njoroge
3	Deputy principal Academics	Alice Ngunu
4	Registrar (s)	Morris Munene
5	Dean of students	Evelyn Mbuga
6	Head of Finance	Mary K Kiugu

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

	Committee	Members
1	Finance, Operations and Development	Mr. Jorgen Kaumbuthu Ms Annah Chelangat Mr. John Kanampiu
2	Audit Risk and Governance Committee	Ms Faith Kajuju Dr. Anelina Mugure
3	Education, training, Research and Human Resources	Hon. Florence Kajuju Ms Irene Waeni Dr. Anelina Mugure

(f) Entity Headquarters

Tigania East Technical and Vocational College Headquarters
P.O. Box 14, 60607
MIKINDURI, KENYA

(g) Tigania East Technical and Vocational College Contacts

Telephone: (254) 745911518
E-mail: tiganiaeasttvc@gmail.com
Website: www.tiganiaeasttechnical.ac.ke

(h) Bankers

Equity Bank (Kenya) Limited
Meru Makutano Branch

(i) Independent Auditors

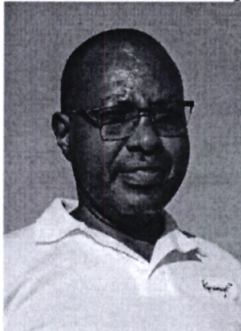
Auditor-General
Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

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

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3.The Board/Board of Governors

No.	Member / Director	Details
1.	John Kibara- Chairperson 	Date of Birth: 1966 Appointed in October 2023, He Holds a Masters degree in Strategic Management and a Bachelor of Science in Statistics and Applied Mathematics. He has over 30 years work experience and has worked for EABL, Sigma Feeds, National Oil Corporation and Coca-cola
2.	Hon Florence Kajuju- Member	Appointed in October 2023. She Holds , Bachelor of Laws, LLB\,Post graduate diploma in Law and Masters of arts, Leadership and Governance She is a member of Education, training, Research and Human Resources Committee
3.	Annah Chelangat- Member 	Annah Chelangat was appointed as a member BoG Tigania East TVC on 12 th May, 2020 and re-appointed in October 2023. She holds a Bachelor of Business Management Accounting option from Moi University, CSIA Part 1, CPA (K) and Diploma in Business Management (KIM). She has worked as a factory accountant with KTDA Holdings Ltd, DL Group of Companies, Internal Auditor-Kapsabet Tea Factory and Audit and Accounts assistant – Kimalel Arap-Kirui CPA(K) Audit and Accountancy Firm. She is a member of Finance & Infrastructure Committee.

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4.	Mr John Kanampiu- Member 	Mr John Kanampiu was appointed as a member BoG Tigania East TVC on 12th May, 2020 and re-appointed for the second term in October 2023. He holds a Bachelor of Science in Electrical Engineering. He is a member of EBK. He has a wealth of experience working with Kenya Power and Lighting Company. A member of Finance & Infrastructure Committee
5.	Irene Waeni – Member 	She was appointed in October 2023 and Holds a Bachelor of Commerce (Human Resource Management & Diploma in Law. She is the Chairperson Education, training, Research and Human Resources
6.	Faith Kajuku 	She was appointed in October 2023 and Holds a Bachelor of Business Management (Human Resource Option) Advanced Diploma in Microfinance and diploma in Business Management
	Jurgen Kaumbuthu 	Appointed as a Member of the Board in October 2023. He has over 15 years work experience in Auditing, taxation, and strategic business management advisory services. He has a wealth of experience working with the De la Rue International Limited, Pricehousewater Coopers amongst others.

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7.	County Director Dr. Andelina Mugure 	Appointed as a Member of the Board in October 2023 She is the county director incharge of TVETS
8.	Secretary to the Board / Principal  Wilfred Kimathi Kamunde	Mr. Wilfred Kimathi Kamunde is a holder Bachelor's Degree (Hons) in Agriculture and Human Ecology Extension, Diploma in Animal Health, Diploma in Technical Education (Agriculture) and a Certificate in Environmental Impact Assessment and E. Audit. He is a registered Animal Heath Technologist by Kenya Veterinary Board and a registered Lead Expert by NEMA as an Environmental Impact assessor and environmental Auditor. He is a seasoned administrator with a proven record in matters of technical education for over 22 years. Before being deployed to Tigania East TVC as the Principal, he had the privilege of serving at Tharaka TVC as the Deputy principal and later Acting Principal. Prior to being deployed to Tharaka TVC, he served Jeremiah Nyaga Technical Institute in different capacities.

4. Key Management Team

No.	Member/ Director	Details
1.	 Wilfred Kimathi	Principal
2.	Alice Ngunu  Masters of Arts, Fashion and Design and Marketing	Deputy Principal Academics
3.	Peter Kamau  MBA (Finance)	Deputy Principal Administration
4.	Morris Munene  Bachelor degree in Business Information Technology	Registrar (Ag)

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5.		Evelyn Mbuga BSc ICT	Dean of students
6.		Kiugu Mary Kawira B.COM, CPA	Finance Officer

NB: There were changes to the key management team as listed on the next page.

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No.	Member/ Director	Details
1.	Secretary to the Board / Principal  Mr. George Kiunga	Principal
2.	Alice Ngunu  Masters of Arts, Fashion and Design and Marketing	Deputy Principal Academics
3.	Peter Kamau  MBA (Finance)	Deputy Principal Administration
4.	Morris Munene  Bachelor degree in Business Information Technology	Registrar (Ag)

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5.	 Mark Nzioka Higher Diploma in civil engineering and building	Dean of students
6.	 Kamau Denis Nkunja	Finance Officer BBM, Finance and banking option CPAK

5. Chairman's Statement

I am writing this statement on behalf of the Board of Governors of Tigania East Technical and Vocational College to provide an overview of our institution's financial situation and challenges. We understand the importance of transparency and accountability in our operations, and we appreciate your diligent oversight.

During the year under review, one of the primary challenges we faced during the fiscal year under review was the non-receipt of expected capitation funds from relevant government authorities. This shortfall in funding significantly affected our ability to meet our financial obligations, including staff salaries, maintenance, and academic resources.

Another noteworthy challenge has been the absence of significant development projects during the reporting period. The limited capital investment in infrastructure and facilities has hindered our efforts to enhance the learning environment and expand our academic programs to meet the growing demand.

Despite the aforementioned financial challenges, we are pleased to report a notable increase in student enrolment during the period under review. This positive development underscores the demand for vocational education in our region and the trust that our community places in Tigania East Vocational College. While this is encouraging, it also places added strain on our resources and infrastructure.

In light of these challenges, the Board of Directors and the College Management have been diligently working to implement cost-effective measures to ensure the sustainability of our institution. These measures include exploring alternative funding sources, optimizing existing resources, and prioritizing critical infrastructure projects.

We remain committed to upholding the highest standards of transparency and accountability. We will continue to work closely with relevant government bodies, our stakeholders, and the local community to address these challenges and improve the overall quality of education and vocational training provided by Tigania East Vocational College.

We appreciate the opportunity to work with your office in addressing these issues and ensuring the prudent management of public funds.

God bless you all, God Bless Tigania East TVC



6. Report of the Chief/Senior Principal

I am pleased to present the Principal's Report for the financial year ending 30th June 2024, which highlights the significant progress and achievements of Tigania East Technical and Vocational College during this period.

In the area of financial management, the college has experienced both successes and challenges. On the one hand, we successfully managed to execute several projects within the financial year, including infrastructural improvements and the stocking of the Jitume Computer Lab.

However, the year was not without its challenges. We experienced delays in government funding, particularly in the disbursement of capitation and scholarship funds. This delay caused some financial strain on the college, affecting the timely execution of planned activities and projects. Additionally, the reduced funding affected the institution's ability to fully support students from vulnerable backgrounds who rely on government scholarships for their education. Despite these challenges, the college has maintained sound financial management practices, ensuring that available resources are optimally utilized to meet the institution's needs.

During the year, we undertook critical infrastructural improvements to enhance the learning environment; A masonry shed was constructed to support practical training in the building and construction courses, the old factory building was renovated and repurposed as a student centre, offering a modern space for students to socialize, access resources, and participate in extracurricular activities. We also carried out partitioning of spacious rooms to create more tuition rooms, increasing our capacity to accommodate more students and ensuring a conducive learning atmosphere.

During the year, a significant milestone was the official opening of the college, graced by the President of the Republic of Kenya, HE. Dr. William Samoei Ruto on 25.01.2024. During this momentous occasion, the Jitume Computer Lab was commissioned, stocked with 100 computers. This facility aims to equip our students with cutting-edge digital skills and prepare them for the evolving technological demands of the job market.

In the FY 2023/2024, our students demonstrated exceptional progress in their academics, as evidenced by the improved performance in national examinations. This achievement is a testament to the dedication of our teaching staff, the commitment of our students, and the supportive learning environment we have fostered.

Throughout the year, our students actively participated in various activities, both academic and extracurricular: we participated in sports where our teams represented the college in various intercollegiate tournaments, showcasing their talent and fostering teamwork. There was a Job Fair at Meru organized by the Ministry of labour, State Department for Diaspora where students and alumni were exposed to job opportunities abroad, broadening their career prospects and inspiring them to aspire for global opportunities.

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The students participated in TVET Fair on Robotics and Innovation at the regional level, where they displayed innovative solutions and participated in robotics exhibitions, reflecting our commitment to technological advancements.

During the fiscal year, the college took part in the national celebrations marking 100 years of technical education in Kenya, highlighting our role in advancing technical and vocational training in the country. We also strengthened our collaboration with industry partners, leading to industrial attachment placements for our students, providing them with practical and hands-on experience. These collaborations led to the introduction of dual training programs, which blend theoretical learning with industry-based training, ensuring our graduates are well-prepared for the workforce.

This financial year also saw the appointment, inauguration, and induction of new Board Members. Their oversight and strategic input will play a critical role in guiding the college towards achieving its mission and vision. We look forward to their contributions in governance, resource mobilization, and overall development.

In conclusion, the financial year ended June 30th, 2024, has been one of progress, growth, and learning. We have achieved remarkable success in infrastructural development, student performance, and collaboration with industry partners. However, the delayed government funding presented challenges that we are determined to overcome in the coming year.

I would like to extend my gratitude to the entire Tigania East TVC community, including our staff, students, Board of Governors, and partners, for their unwavering support. Together, we will continue to drive this institution forward toward greater achievements.



George Kiunga
Principal/BOG Secretary

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7. Statement of Performance against Predetermined Objectives

Tigania East Technical and Vocational College has 7 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2023- FY 2027 These strategic pillars are as follows:

1. Quality Training and Good Governance
2. Enrolment Management
3. Infrastructure and facilities
4. Capacity and development
5. Financial sustainability
6. Technology Integration
7. Customer satisfaction

Tigania East Technical and Vocational College develops its annual work plans based on the above 7 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Tigania East Technical and Vocational College achieved its performance targets set for the FY 2023/2024 period for its Seven (7) strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
1. Quality Training and Good Governance	- To implement Quality Management System - To enhance collaboration and partnerships - To develop skilled Manpower	- Increased Number of trainees - Improved Performance	- Train implementers - Validate procedures and policies - Train internal quality auditors - Apply for certification audits	During the FY 2023/2024 14 (Fourteen) trainers have been recruited by the Public Service Commission
2. Enrolment Management	To increase enrolment	Increased number of trainees	- Produce and distribute flyers and brochures - Advertise on various Media - Road Shows - Identify	- Flyers and brochures produced and distributed - Promotion agents

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			promotion Agents • Hold graduation ceremonies • Hold Open day careers days • Participate in trade fair and exhibitions • Adopting new and short-term courses in all departments	identified • The institution participated in trade fair and exhibitions
3. Infrastructure and facilities	To improve physical facilities and infrastructure	Cost of physical facilities	• Write grant proposals to donors • Request for government grants • Seek for sponsorship collaborations with donors and agencies • Income generating activities • Landscaping and beautification • Renovations of the existing building • Construct new workshops • Construct Ict Hub • Construct college gate • Construct class rooms and ablution block • purchase training	• Trained over 20 students on computer packages in the as an IGA • Planted flowers and grass around the compound • Renovated the old factor building during the year and now being used for training as well as a student centre • Constructed masonry shed • Training materials and equipment purchased

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			equipment • purchase college vehicle • purchase office furniture • purchase lecture chairs	
4. Capacity and development	• To build human resource capacity	• Number of staff trained	• Conducting training needs assessment (TNA) • Implementing TNA recommendations • Staff retreats and expenditures • Encourage welfare activities • Conduct staff appraisal • Implement sanctions and rewards • Offer internship and rewards • Ensure gender and disability mainstreaming	• Training needs assessment conducted • Welfare activities carried out • Internship and attachment for students from various universities and colleges offered
5. Financial sustainability	To improve financial management	Number of processes automated	To reduce fee defaults To maintain low debts equity ratio Automate financial systems Cost reduction and savings Implementation of financial policies Ensure full utilization of allocated funds	

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			Adhere to PFM and Public Procurement acts	
6 .Technology Integration	To integrate ICT in training	Number of ICT programs integrated	• Provide fast and reliable internet connectivity • Implement MIS • Install CCTV Surveillance • Install biometric information system • Conduct training on ICT integration • Purchase more ICT equipment • Regular data back-up activities • Train on information MIS • Implement information security system	17 computers procured for training in ICT department A reliable internet installed by the Government 100 computers for Jitume Program donated by the Government
7. Customer satisfaction	To enhance safety and security	• Number of fire extinguishers installed • Number of anti-viruses installed • Number of CCTV cameras installed	• Develop security polity • Implement the security policy • Update asset inventory • Asset tagging • Insure students on attachment • Insure workers	

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			• Insure assets	
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8. Corporate Governance Statement

(a) Board meetings, attendance, and remuneration

During the financial year 2023/2024, a new Board took Over from the One whose term expired at the End of the FY 2022/2023. The full Board met 2 times and each committee met once. The meetings were all well attended as shown below.

S/n	Date of meeting	Nature of Board Meeting	Attendance	Remuneration
1	10/11/2023	Full Board Meeting- Inauguration	6	Per the Board Minutes
2	9/3/2024	Finance, infrastructure & Strategy Committee	4	Per the Board Minutes
1	1/3/2024	Education, Research & Training committee	3	Per the board Minutes
3	5/3/2024	Audit & Risk committee	3	Per the Board meetings
4	12/04/2024	Full board	7	Per the current Circular on Board allowances

(b) Board Charter, Succession plan, Induction and Training

There is an existing Board Charter that has been developed by the Board. Induction of the board was carried out and succession plan is according to TVETA Act, 2013 which guides those members of the board who should be appointed in a manner that guarantees continuity.

(c) Appointment and removal of Board members

The appointment and removal of the Board members is provided for in the TVETA Act, 2013.

Appointment - On expiry of the term of Board members, the Secretary to the Board, County Commissioner, area M.P in consultation with the County director TVET nominate names to be presented to the Cabinet Secretary, Ministry of Education. For each position, 3 names are proposed for consideration.

Removal – Ground for removal of the member of the Board is provided for in TVETA Act, 2013. During the year under review, no member was removed.

(d) Role of the Board of Governors

The roles of the board are oversight and management of the college activities. Members have been able to provide any and every assistance that has been asked of them by the Management team and are also able to advice on policies and growth strategies for the betterment of the Institution.

In February 2024, members of the Board took part in an induction exercise organized by the Kenya Association of Technical Training Institutes (KATTI) at the Kenya School of Government Embu where they were able to undergo proper training in areas of policy making, oversight roles, and their expected contribution to the growth of the Institution.

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The induction was a success as it brought about a change in accountability measures especially where management of the institution's funds are concerned.

The board is also keen on enhancing the growth of the college and through meetings several strategies were passed which included marketing the college extensively via media sources as well as introducing various courses in the institution and enabling funding to buy equipment for these courses to be able to thrive and attract more students especially hospitality courses that are in demand from the myriad of inquiries that were recorded at the college. So far there have been no cases of conflict of interest or ethical misconduct as the board remained united in delivering its mandate of ensuring Tigania East Technical and Vocational College grows to be one of the leading Technical Institutions in the country.

9. Management Discussion and Analysis

During the Period under review Tigania East Technical and Vocational College has been able to achieve the following operational and financial objectives.

- ✓ We have implemented one of the Presidential directives by planting trees in the institution Compound, raising tree nursery beds and distributed seedlings to the community for planting.
- ✓ The Institution is also implementing performance contract
- ✓ We have a service charter in place in both English and Kiswahili and in Braille that was developed in the FY 2022/2023
- ✓ We have complied with the recent Finance Bill on Affordable Housing Levy
- ✓ We are NITA compliant
- ✓ Compliance with statutory requirements; Tigania East Technical and Vocational College has been up to date in its statutory submissions and payment obligations, namely, PAYE (Pay as you earn), employee defined contribution retirement scheme and medical scheme namely NSSF (National social security fund) and NHIF (National Hospital Insurance Fund).
- ✓ The College has also embarked on the new TVETs curriculum implementation (CBET) and the first batch of students to sit for CDACC got registered for July 2024 exams with 36 new courses being registered to TVETA CDACC portal within the Period
- ✓ The institution has also succeeded in putting up a Masonry shed which was not there before.

✓ Opening of the College and Commissioning of the Jitume Lab

The opening of the college and commissioning of the Jitume Lab was officiated by the President of Kenya, HE. Dr William Samoei Ruto on 25.01.2024. 100 (one Hundred) computers were donated by the government of Kenya to assist young Kenyans in on-line jobs.

Major risks

Some of the major external risks which may impede the Technical in its quest towards a sustainable learning environment and operationalization include:

	Risk	Impact	Mitigation action
1.	Slow development	Insufficient funds, for infrastructural development like building of more a bigger tuition block to accommodate the anticipated increase in students' population	Liaison with Ministry to facilitate projects.

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2.	Poor payment of Fees from students	There is low collection of fees from students especially from those who have been promised full sponsorship from politicians who in return have not honoured their promises. Government capitation is not also timely'	Encouraging the parents/guardians to take responsibility and ensure that students have applied for HELB Loans
4.	Insecurity	The Institution has been equipped with very expensive training equipment. However, besides having a security company manning the building, the compound is half fenced hence posing major risks both in the institution farm and the building.	The institution in in need of modern security systems like the alarm systems and a powerful CCTV camera.

10. Environmental and Sustainability Reporting Statement

Tigania East Technical 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).

Sustainability strategy and profile

The institution is geared towards increasing enrolment and offering quality training to the trainers. In regard to this, the institution has employed different marketing strategies in order to ensure that even the neediest students can afford to pay for their tuition fees by ensuring that students are assisted to apply for both HELB loans and Capitation/Scholarship. The institution has encouraged students to take the most marketable courses that will enable them secure jobs in the market without much struggle and ones that can lead to self-employment

Environmental performance

During the period under review the institution with the assistance of performance Contracting has banked on tree and grass planting around the compound.

The institution has also maintained good environmental practices by ensuring that wastes materials are properly disposed and the environment is clean all the time

Employee welfare

Tigania East Technical and Vocational College is a young TVET institution that has grown from scratch to a level of over **1000** students (cumulative enrolment). Due to this rising number of students, the number of employees continues to increase.

Being very a young institution were are trying to come up with various policies that will safe guard all the interested parties including the employees welfare that is stipulated in the draft Human Resource Manual awaiting approval by the Board of Governors.

Market place practices-

a) Responsible competition practice.

Tigania East Technical and Vocational College has embarked on fair market practices to ensure good relationship with other technical institutions. For our marketing the institution has employed several marketing strategies in order to achieve its objectives. These include posters, brochures, and use of banners during TVETs fairs and exhibitions, games and Sports events. Lastly but not the least using constructive Networking by using individual outsiders as marketers in return for Marketing commission.

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© Tigania East TVC uses standard procurement practices as guided by the Public Procurement and Asset Disposal Act 2015 in that;

- i. That in every budgeting cycle 30% of our procurement plan goes to women , youth and persons with disabilities (AGPO)
- ii. The management ensures that proper procurement procedures are adhered to and value for money is one of the key considerations when awarding tenders.
- iii. The management also ensures that suppliers are paid on first come first come basis

b) Responsible marketing and advertisement-

Tigania East Technical and Vocational College has embraced ethical marketing practices by avoiding conflict with other competitor's (TVET institutions)

Product stewardship-

Tigania East TVC is considered as an outgoing technical institution in the region because we have been able to engage our students in sports, athletics innovations and robotics fairs, job fairs. During the year we had also organized a student's cultural activity in the month of March 2024.

Staffs have also been trained on various capacities in trainings organised by organizations that work in collaboration with the Ministry of Education TVET department.

We have a reliable source of water and good sanitation for our students

Corporate Social Responsibility / Community Engagements

Corporate Social Investment and other forms of community engagements.

During the FY 2023/2024 the institution through Social Work and Community Development class visited Nanyuki Children's home and donated clothes to the children.

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11. Report of the Board/Board of Governors

The Board/Board members submit their report for the year ended June 30th, 2024 which show the state of the *entity's* affairs.

Principal activities

The principal activities of Tigania East Technical and Vocational College are providing world class technical and vocational education and training, for the people of Kenya

Results

The results of the entity for the year ended June 30th 2024 are set out on page 1 to 6

Board/Board of Governors

The members of the Board /Board who served during the year are shown on page vi. The Board was inaugurated on 9th November 2024

Auditors

The Auditor General is responsible for the statutory audit of Tigania East Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30th June, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Secretary of the Board/Board

Date:



12. Statement of Board of Governors/ Board's Responsibilities

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

The Board members are responsible for the preparation and presentation of Tigania East Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

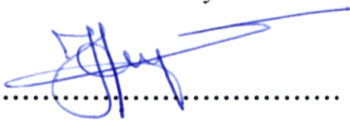
The Board members accept responsibility for Tigania East Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act). The Board members are of the opinion that Tigania East Technical and Vocational College financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2024, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the entity's ability to continue as a going concern. Nothing has come to the attention of the Board members to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

Tigania East Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Approval of the financial statements

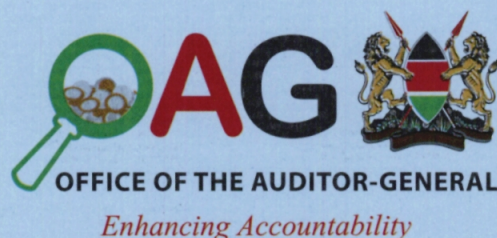
The *College's* financial statements were approved by the Board on 19/3/25 and signed on its behalf by:


.....
Name
Chairperson of the Board/Board


.....
Name George Kung T
Accounting Officer/Principal

REPUBLIC OF KENYA

phone: +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 TIGANIA EAST TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

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.
- 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.

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the 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

Adverse Opinion

I have audited the accompanying financial statements of Tigania East Technical and Vocational College set out on pages 1 to 30, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of

comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Tigania East Technical and Vocational College at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Technical and Vocational Education and Training (TVET) Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Unsupported and Inaccurate Cash and Cash Equivalents Balance

The statement of cash flows reflects cash and cash equivalent balance of Kshs.4,816,600 which as disclosed in Note 14 to the financial statements includes Kshs.4,795,114 and Kshs.21,486 in respect to reconciled bank and cash in hand balances respectively. However, the corresponding cash book and board of survey reports in support of the respective balances were not provided for audit review.

In addition, the statement of cash flows reflects increase in deposits amount of Kshs.3,403,088 under cash flows from financing activities. However, increase in deposit are not within the scope of financing activities as defined in paragraph 26 of IPSAS 2 on reporting cash flows from financing activities hence may have been used to balance the cash flow.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.4,816,600 could not be confirmed.

2. Inaccuracies in the Statement of Changes in Net Assets

The statement reflects total capital and reserves balance of Kshs.263,117,291, comprising of revaluation reserve balance of Kshs.260,403,875, retained earnings balance of Kshs.(171,812) and accumulated surplus balance of Kshs.2,885,228. However, review of the statement revealed the following anomalies.

- i. The retained earnings balance of Kshs.(171,812) differed with the recalculated balance of Kshs.(9,692,695). The resulting variance of Kshs.(9,520,883) has not been explained or reconciled.
- ii. Revaluation reserve balance of Kshs.260,403,875 has not been supported by a valuation certificate.
- iii. The statement reflects accumulated funds balance of Kshs.2,885,228 which was incorrectly classified and had already been accounted for under retained earnings.

In the circumstances, the accuracy and completeness of revaluation reserve balance of Kshs.260,403,875, retained earnings balance of Kshs.(171,812) and accumulated surplus balance of Kshs.2,885,228 could not be confirmed.

3. Variance Between the Financial Statements and the Corresponding Notes to the Financial Statements

The statement of financial performance reflects depreciation charge for the year of Kshs.23,999,885 which is at variance with the corresponding amount of Kshs.25,012,191 reflected in Note 12 to the financial statements. The resulting error of Kshs.1,012,306 has not been corrected.

In the circumstances, the accuracy and completeness of depreciation charge for the year amount of Kshs.23,999,885 could not be confirmed.

4. Unsupported Trade and Other Payables

The statement of financial position and as disclosed in Note 18 to the financial position reflects trade and other payable balance of Kshs.9,787,429 which includes a balance of Kshs.8,582,923 in respect to trade payable. However, detailed ageing analysis including the suppliers' information, invoice details, aging categories and references numbers of local purchase orders and local service orders for the trade payables were not provided for audit.

In addition, the balance includes an amount of Kshs.4,682,317 being trade and other payables relating to 2022/2023 and earlier years. However, evidence of treatment of these payables as first charge in the financial year under review was not provided for audit review. This is contrary to National Treasury and Economic Planning Circular Ref. No: ES 1/03 (2) of 21 June, 2023 states that the Accounting Officers should ensure that carryovers payments emanating from financial year 2022/23 are treated as first charge against 2023/24 budgetary allocation before entering into new commitments.

In the circumstances, the accuracy and completeness of trade and other payable balance of Kshs.9,787,429 could not be confirmed. In addition, Management was in breach of the law.

5. Unsupported and Unaccounted for Imprest

The statement of performance as disclosed under Note 9 reflects an expenditure on use of goods and services of Kshs.16,994,298 which further includes an amount of Kshs.1,779,085 advanced to various staff. However, review of records revealed that the expenditure was directly expensed in the books of the College without evidence of accountability in form of approved requisitions, official invitations to attend trainings or meetings, proof of travel, signed attendance list, schedule of events, back to office reports and ETR receipts for purchases incurred as justification of activities undertaken.

In addition, the College does not maintain an updated imprest register for temporary or safari imprests issued to staff which is a weakness that makes it difficult to track imprest issued and ensure that the same are promptly surrendered and accounted for, and is a loophole for loss of public funds.

In the circumstances, the accuracy, completeness and occurrence of the expenditure amount of Kshs.1,779,085 on use of goods and services could not be confirmed.

6. Unsupported Board Allowances

The statement of performance and as disclosed in Note 11 to the financial statements reflects Board expenses of Kshs.1,295,500 which includes an amount of Kshs.362,000 paid as sitting allowances. However, review of the latter balance revealed that supporting documentation, such as signed meeting minutes and signed attendance registers, to confirm their participation and occurrence of the meetings were not provided for audit review.

In the circumstances, the accuracy, completeness and occurrence of Board expenses amount of Kshs.362,000 could not be confirmed.

7. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.226,846,408 as disclosed in Note 17 to the financial statements. Included in the balances are Kshs.35,000,000 and Kshs.52,783,431 in respect to land and building respectively. However, valuation reports for these assets were not provided for audit review, these assets were not disclosed in the asset register and Management has not acquired ownership documents in respect to the parcel of land in which the College is located.

In addition, assets at the College were not tagged with unique identifiers or reference and properly recorded in both manual and automated registers and were therefore prone to misplacement, loss and misuse.

Further, Management did not insure assets in the College hence exposing them to risk of total loss in case of a disaster.

In the circumstances, the accuracy and completeness, ownership and rights and obligations to the property, plant and equipment balance of Kshs.226,846,408 could not be confirmed.

8. Long Outstanding Current Portion of Receivable

The statement of financial position and as disclosed under Note 15 reflects receivables from exchange transactions balance of Kshs.39,560,719 which includes an amount of Kshs.6,605,653 in respect to receivables relating to financial year 2022/2023 and earlier years hence have been outstanding for inordinately long period without collection.

In addition, the students' receivable increased by Kshs.32,955,066 or four hundred and ninety-nine (499) percent from Kshs.6,605,653 reported in the previous year. The increase is an indicator of poor fee collection and recovery strategy by the College and no provisions for bad and doubtful debts has been in respect to these debts.

In the circumstances, the recoverability of the receivables from exchange transaction balance of Kshs.39,560,719 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Tigania East 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 adverse opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget of Kshs.36,810,000 and an actual total revenue of Kshs.70,017,249 resulting to over-funding of Kshs.33,207,249 or ninety (90%) the total revenue budget. Similarly, the College spent Kshs.23,450,322 against actual receipts of Kshs.70,017,249, resulting to an under-utilization of Kshs.46,566,927 or (67%) of the actual receipts.

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

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 Adverse Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues or given any explanations for failure to implement the recommendations.

Other Information

Management is responsible for the other information set out on page iii to xxvii which comprise of the College's information and overall performance, statement of performance against the College's predetermined objectives, Environmental and Sustainability Reporting and the statement of College's management 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 and 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unapproved Budget

The budget for the financial year under review was prepared and submitted for approval to the Cabinet Secretary on 10 August, 2023 being one month after the commencement of financial year. Further, no evidence of approval of the budget by the Cabinet Secretary was provided for audit review. This is contrary to Section 22 (2) of the second schedule of the TVET Act, 2013 which states that the Board of Governors may incur expenditure for the purpose of the institution in accordance with estimates approved by the Cabinet Secretary, and any approved expenditure under any head of the estimates may not be exceeded without the prior written approval of the Cabinet Secretary.

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

2. Non-Compliance with Public Sector Accounting Standards Board (PSASB) Financial Reporting Template

Review of the financial statements against the prescribed template by the Public Sector Accounting Standards Board revealed the following anomalies;

- i. Note 20 on appendices to the financial statements has not been included in the financial statement.
- ii. The financial statements were not signed by the Chairman of the Board.
- iii. The Notes to the financial statements omitted the name of the entity at the header of the pages as part of the disclosure in the financial statements.
- iv. Intangible assets have been wrongly referred to as ERP and there is no disclosure Notes for the same. In addition, the assets have not been amortized.

In the circumstances, The College's financial statements have not been prepared in accordance with the Public Sector Accounting Standards Board financial reporting template and International Public Sector Accounting Standards (IPSAS).

3. Irregular Transfer of Funds to Kenya Association of Technical Training Institutions

The statement of financial performance for and as disclosed in Note 9 reflects use of goods and services payments amounting to Kshs.16,994,298. Included in the expenditure is an amount of Kshs.453,802 transferred to Kenya Association of Technical Training Institutions (KATTI). However, it was noted that this Association is not defined in the Government funding and are not subject to Public Finance Management Act, 2012 or any other Public Finance Regulations. This is contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 requires that an Accounting Officer shall, before transferring any funds to an entity within or outside Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.

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

4. Lack of Trainer Licensing for College Trainers

During the year under review, the College did not provide for audit review copies of trainers' licenses for twenty-one (21) college trainers contrary to Section 17(1) of the TVET Act, 2013, which states that, no person or institution shall offer training in Kenya unless the person or institution has been accredited, licensed and registered under this Act to offer such training. This requires all trainers in a vocational and technical college to be duly licensed, with evidence of their accreditation maintained in their personal files.

In the circumstances, Management is 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of a Functional Internal Audit Department

During the year under review, the College had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the College through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the College did not benefit from the oversight role and advice from the audit committee and the internal audit function.

2. Weak Information Technology (IT) Internal Controls

Review of the Information IT control environment revealed the following anomalies:

- i. The College did not have an IT strategic committee and IT steering committee, this may result to inadequacy in IT governance, which forms a critical part of the entity's governance structure.
- ii. There were no documented policies which cover physical access to IT environments.
- iii. The disaster management and recovery policies including fire suppression systems were not provided for audit review.
- iv. The College has not established a business continuity plan and an IT continuity plan including a live off-site data back-up plan.

In the circumstances, safeguards on loss of data, public funds and other assets could not be confirmed in the unlikely event that a disaster occurs.

3. Lack of an Approved Staff Establishment

During the year under review, the College did not have in place an approved staff establishment as required by the guidelines. Therefore, there is no structured framework to guide optimal staffing levels based on workload, core functions, or financial implications. Further, no staffing justifications for existing positions have been documented or approved.

In the circumstances, the efficiency and effectiveness of the staffing level to deliver the mandate of the College could not be ascertained.

4. Ineffective Board

Review of records revealed that the Board does not have a representative from the County Government. In addition, the Board did not convene a full board meeting for cumulatively five (5) months between June, 2023 and November, 2023, thus exceeding the four-month period requirement that four months shall not lapse between the date of one meeting and that of the next as required by the First Schedule of TVET Act, 2013.

Further, the board did not conduct an evaluation of its performance contrary to Paragraph 1.12 of Chapter 1 of Mwongozo 2015.

In the circumstances, effectiveness of governance and oversight in College could not be ascertained.

5. Weak Internal Controls in Payment Processing

Review of payment vouchers provided for audit revealed that the College did not document vote book control procedures, with no evidence that expenditures were entered in the vote book to confirm availability of adequate funds in the respective votes to cover the expenditures against the chargeable items during the year. In addition, there was lack of segregation of duties in the finance department as the same officer prepared and approved requisitions, prepared and approved payment vouchers including posting of the same in cashbook and was also responsible for preparation of the monthly bank reconciliations.

In the circumstances, the effectiveness of internal controls during payment initiation and at the preparation and processing of payment vouchers could not be ascertained.

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 Management and Board of Management

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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern 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.

Board of Management 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 Institutions (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

03 April, 2025

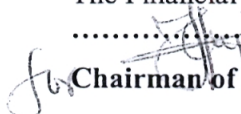
Tigania East Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

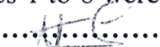
14. Statement of Financial Performance for the Year Ended 30 June 2024

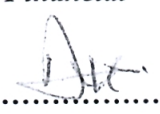
	Notes	2023/2024	2022/2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Unconditional Grants			
Capitation/Scholarship	6a	13,275,514	7,006,000
Recurrent Grant	6b	5,000,000	500,000
		18,275,514	7,506,000
Revenue from Exchange Transactions			
Rendering of Services- fees from students	7	51,741,735	10,408,358
Sale of goods & Other Incomes	8	176,365	3,000
		51,918,100	10,411,358
Total revenue		70,193,614	17,917,358
Expenses			
Use of goods and services	9	16,994,298	11,261,535
Employees Costs	10	5,031,655	5,578,350
Board/Board Expenses	11	1,295,500	321,000
Depreciation Expense	12	23,999,885	35,578,656
Repairs and Maintenance and Improvements	13	1,424,369	137,010
Total expenses		48,745,707	52,876,551
Surplus for the year		21,447,907	(34,959,193)

(The notes set out on pages 6 to 25 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 8 were signed by:

 Chairman of Board/Board

 Principal

 Finance Officer

Date

Date 19/3/2025

ICPAK No 1812
Date 19/3/2025

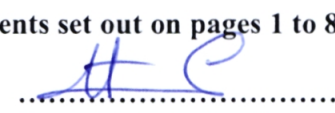
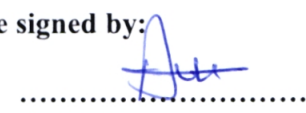
Tigania East Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Financial Position as At 30th June 2024

	Notes	2023/2024	2022/2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14	4,816,600	557,088
Current Portion of receivables from exchange transactions	15	39,560,719	6,605,653
Inventories	16	168,686	-
Total Current Assets		44,546,005	7,162,741
Non-current assets			
Property, Plant and Equipment	17	227,858,714	226,282,849
ERP		500,000	500,000
		228,358,714	226,782,849
Total Assets		272,904,719	233,945,590
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	18	9,787,429	4,682,317
Total Liabilities		9,787,429	4,682,317
Represented by:			
Represented by:			
Accumulated surplus		2,885,228	2,885,228
Revaluation Reserve		260,403,875	260,403,875
retained earnings		(171,812)	(34,025,829)
Total capital and reserves		263,117,291	229,263,273
Total liabilities and capital reserves		272,904,719	233,945,590

Tigania East Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

The Financial Statements set out on pages 1 to 8 were signed by:

		
Chairman of Board/Board	Principal	Finance Officer
	<i>George Kivaga</i>	ICPAK No <i>1512</i>
Date	Date <i>19/3/25</i>	Date <i>19/3/25</i>

Tigania East Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

16. Statement of Changes in Net Asset for the Year Ended 30 June 2024

	Revaluation Reserve	Retained earnings	Accumulated Funds	Total
	Ksh.	Ksh.	Ksh.	Ksh.
Balance b/f as at July 1, 2023	260,403,875	(21,619,719)	2,885,228	241,669,384
Surplus for the year	-	21,447,907	-	21,447,907
Accumulated surplus	-	-	-	-
Balance c/d as at June 30, 2024	260,403,875	(171,812)	2,885,228	263,117,291

Tigania East Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

17. Statement of Cash Flows for the Year Ended 30 June 2024

	2023/2024	2022/2023
Cash flows from operating activities		
Receipts		
Receipts from exchange non-exchange transactions of transactions	18,275,514	7,006,000
Receipts from exchange of transactions	14,729,544	10,408,358
Other incomes	176,365	3,000
Government Grant	-	500,000
Total Receipts	33,181,423	17,917,358
Payments		
Use of Goods and Services	16,994,298	11,261,535
Employees costs	5,031,655	5,578,350
Repairs Maintenance and Improvements	1,424,369	137,010
BOG allowances	1,295,500	321,000
Total Payments	24,745,822	17,297,895
Net cash out flow flows from operating activities	8,435,601	619,463
Cashflow from investing activities		
Purchase of Computers	773,000	-
Net cash flows used in investing activities	773,000	341,130
Cash flows from financing activities	-	-
increase in deposits	(3,403,088)	-
Net increase/(decrease) in cash and cash equivalents	4,259,512	278,333

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Cash and cash equivalents at the beginning of the Period	557,088	278,755
Cash and cash equivalents at the end of the Period	4,816,600	557,088

Cash flow notes

The difference between cash flow Figures and Statement of Financial Performance Figures is that Cash flow is prepared on cash basis (Direct Method). It includes payment of Machines and Equipment, trade and other payables from the previous Financial Year.

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18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	performance difference	% of Utilization
	a	b	c=a+b	d		e=g/e %
Revenue	Kshs	Kshs	Kshs	Kshs		Kshs
Transfers from other Govt entities Govt grants	15,000,000	5,000,000	20,000,000	18,275,514.00	1,724,486	9%
Rendering of services- Fees from students	14,010,000	-	14,010,000	51,741,735	(37,731,735)	-269%
Other Income	100,000	-	100,000	-	100,000	100%
Exam fees	2,700,000	-	-	-	-	-
Total income	31,810,000	5,000,000	36,810,000	70,017,249	(33,207,249)	-90%
Expenses						
Compensation of employees	8,700,360	(2,180,000)	6,520,360	5,031,655	1,488,705	23%
Use of Goods and services	18,259,640	7,040,000	25,299,640	16,994,298	8,305,342	33%
Exam fees	1,900,000	140,000	2,040,000	-	-	-
repairs and maintenance	1,590,000	-	1,590,000	1,424,369	-	-
board/board expenses	1,360,000	-	1,360,000		1,360,000	100%
Total expenditure	31,810,000	5,000,000	36,810,000	23,450,322	13,359,678	36%
Surplus for the period	-	-	-	46,566,926	(46,566,927)	0%

19. Notes to the Financial Statements

1. General Information

Tigania East Technical and Vocational College is established by and derives its authority and accountability from TVETA Act 2013. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. Tigania East Technical and Vocational College's principal activity is to offer technical and vocational education and training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies.

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

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.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There are no new standards in the year ended 30th June 2024

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and Impact:
IPSAS 43: Leases	<i>Applicable F^o January 2025</i> 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 cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>During the FY2023-2024 IPSAS 43: Leases is not applicable as the institution has not entered into any lease agreement or any lease obligation.</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable F^o January 2025</i> The Standard requires, 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: 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. <i>IPSAS 44 is not applicable in the financial year under review since the institution had no Non- current Assets Held for sale</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable F^o January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under

	the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <i>This standard has no impact on the financial</i>
IPSAS 46: Measurement	<i>Applicable F^o January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<i>Applicable F^o January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. <i>IPSAS 47 is applicable in both Revenue from Exchange of transactions and Revenue from non-exchange of transactions.</i>
IPSAS 48: Transfer Expenses	<i>Applicable F^o January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 49: Retirement Benefit Plans	<i>Applicable F^o January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. <i>The standard is not applicable in this financial year</i>

iii. Early adoption of standards

Tigania East Technical and Vocational College did not adopt any new or amended standards in year 2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. 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 have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2023/2024 was approved by the Board or Board on *16/3/2023*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of *sh. 5000,000.00 as recurrent grant* on the FY 2023/2024 budget following the Board/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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 ~~xx~~ under section ~~xx~~ of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule *II* of the *Income tax* Act.

Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over the useful period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity 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 derecognition. 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, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) 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.

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

The entity 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. The entity 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.

Financial liabilities

Classification

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

g) 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.

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

h) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent assets

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

i) Related parties

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

j) 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.

k) Comparative figures

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

l) 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, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information

(no provisions that has yet been provided except provision for Audit fees)

6. Unconditional Grants

(a) Transfers from other National Government entities

Description		
Description	2023/2024	2022/2023
	Kshs	Kshs
Unconditional Grants		
Capitation	13,275,514	7,006,000
Total revenue from the rendering of services	13,275,514	7,006,000

6b. Government Grants

Description	2023/2024	2022/2023
	Kshs	Kshs
Recurrent Grant	5,000,000	500,000
Total	5,000,000	500,000

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry.)

**Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached.*

(NB: Total of column 1 should tie to the first part of note 6 on unconditional grants)

7. Rendering of Services – Fees from Students

Description	2023/2024	2022/2023
	Kshs	Kshs
Tuition	25,606,515	1,140,250
Personal emolument	10,288,435	428,435
Electricity & Water Consumption	3,256,560	126,070
Repairs Maintenance & Improvements	2,894,500	105,500
Local Travel and Presentation	2,590,200	84,400
Activities	3,088,800	91,900
Industrial attachment/medical/insurance	1,976,625	79,125
Registration	577,400	40,900
Student council fees	290,400	2,800
TVETA Fees	113,000	-
Student ID card	118,800	2,100
KUCCPS	940,500	51,000
Examination fees charge	-	1,249,778
Total fees from CDF	-	1,179,100
Total fees from helb	-	5,826,000
Admin costs	-	1,000
TOTAL REVENUE FROM RENDERING OF SERVICES	51,741,735	10,408,358

8. Sale of Goods and Other Income

Description	2023/2024	2022/2023
	Kshs	Kshs
miscelenous	10,340	3,000
Jitume Programme training	3,000	-
Sale of Farm Produce	25,125	-
Computer Packages	137,900	-
Total	176,365	3,000

9. Use of goods and Services

Description	2023/2024	2022/2023
	Kshs	Kshs
Academic trips	165,800	-
Civil Engineering department- Building	32,000	12,650
Cosmetology	49,285	126,983
Electrical Department	-	25,069
Mechanical Engineering Department	275,233	98,133
Trainining- Agriculture department	183,880	12,200
Training- Fashion and design	35,323	62,180
Beautification of College	82,900	15,000
Games and Sports	1,251,240	1,311,370
Electricity and water consumption	558,748	208,455
Publicity and Advertising	888,500	341,050
Catering, Conference and delegations	494,850	225,909
Loca travel and transport expenses	1,539,710	1,188,500
Printing and Stationery	497,376	393,461
Innovations and Robotics	437,100	90,760
Telephone Expenses	182,766	106,400
Internet expenses	43,196	151,176
General Office administration	1,997,359	1,158,240

Bank charges	45,807	39,790
ICT and consumables	904,210	111,525
Security	300,000	450,000
Income generating activity expenses	80,195	103,200
Housekeeping	62,395	92,785
Examination fees paid to Examination Bodies	1,670,530	1,427,420
Meetings and Seminars (KATTI and Other Trainings)	2,583,377	1,640,400
Audit Fees	110,957	221,914
Examination Materials	656,985	322,637
Performance Contracting	487,400	469,370
Subscription to Professional bodies	21,200	33,200
Examination management		209,605
Insurance	39,216	14,103
Fencing	-	502,050
KATTI	-	60,000
Industrial Attachment	140,000	36,000
ICT complex /classrooms committee expenses	62,000	-
KUCCPS registration for studens	141,000	-
Presidential Directive (planting of trees)	54,350	-
Presidential visit Expenses	593,205	-
Students Council Expenses	94,920	-
Student medical expenses	1,500	-
TVET Centenary Celebrations	229,785	-
TVETA Fees	-	-
Total Use of Goods and Services	16,994,298	11,261,535

10. Employees Costs

Description	2023/2024	2022/2023
	Kshs	Kshs
Salaries and wages	4,708,068	5,578,350
Affordable Housing Levy	122,535	-
NITA	29,422	-
NSSF employer's contribution	171,630	-
Total employees cost	5,031,655	5,578,350

11. Board/Board Expenses

Description	2023/2024	2022/2023
	Kshs	Kshs
Board allowances/ Expenses	1,295,500	321,000
Total board allowances	1,295,500	321,000

12. Depreciation Expense

Description	2023/2024	2022/2023
	Kshs	Kshs
Depreciation expenses	25,012,191	23,169,546
Total Depreciation Expense	25,012,191	23,169,546

13. Repairs and Maintenance

Description	2023/2024	2022/2023
	Kshs	Kshs
Repairs Maintenance and Improvements	1,424,369	137,010
Total repairs and maintenance	1,424,369	137,010

14. Cash and Cash Equivalents

		2023/2024	2022/2023
Financial Institution	Account number		
Equity Bank, operations account (reconcilled)	104027954857 1	4,795,114	497,998
Cash in Hand	Cash Box	21,486	59,090
Total		4,816,600	557,088

15. Receivables from Exchange Transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Receivables		
Balance/b/d	39,560,719	6,605,653
TOTAL	39,560,719	-
Less Capitation/Scholarship grants	-	-
Less fees paid by students	-	-
Total Current Receivables	39,560,719	6,605,653

Ageing analysis		
days	amount	percentage
0-90	21,462,075	54
91-180	867,800	2
181-270	5,188,464	13
271-360	8,779,786	22
above 360	3,323,792	8

16. Inventories

Description	2023/2024	2022/2023
	Kshs	Kshs
Catering and Hospitality	7,770	-
Housekeeping and cleaning materials	85,865	-
Office Stationeries	75,051	-
Total Inventories	168,686	-

17. Property Plant and Equipment

Cost	Furniture and fittings	Computers	Plant and equipment	Land	BUILDING	Total
	Kshs	Kshs	Kshs			Kshs
Depreciation rate	12.5	30	13		3	
At 1 July 2022	760,750	451,150	264,731	-	-	1,476,631
Additions	-	356,000	125,000	-	-	481,000
Total Assets	760,750	807,150	389,731	-	-	1,957,631
Depreciation Charge During the year	-	-	-	-	-	-
At 1 Jun 30th 2023	760,750	807,150	389,731	-	-	1,957,631
Restated	-	-	168,805,000	35,000,000	56,098,875	259,903,875
Additions	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-
Total Assets	760,750	807,150	169,194,731	35,000,000	56,098,875	261,861,506
Depreciation Charge During the year	95,094	242,145	21,149,341	-	1,682,966	23,169,546

Net book value as at 30th June 2023	665,656	565,005	148,045,390	35,000,000	54,415,909	238,691,960
At 1 July 2023	665,656	565,005	148,045,390	35,000,000	54,415,909	238,691,960
Additions	393,640	12,773,000	-	-	-	13,166,640
Total Assets	1,059,296	13,338,005	148,045,390	35,000,000	54,415,909	251,858,600
Depreciation Charge During the year	132,412	4,001,402	19,245,901	-	1,632,477	25,012,191
At Jun 30th 2024	926,884	9,336,604	128,799,489	35,000,000	52,783,431	226,846,408

NOTES ON ADDITIONS on Furniture	
SH. 105640 = Materials for 7 hbt tables and 20 TD tables	105,640
SH.288000 = supply of 18 trainers desks and 18 chairs	288,000
TOTAL	393,640
Notes on Computers additions	
sh. 1200000 each valued at 120,000	12,000,000
sh. 773,000 for 17 computers for training	773,000
TOTAL	12,773,000

18. Trade and Other Payables

	2023/2024	2022/2023		
	Kshs	Kshs		
B/D	4,682,317	-		
Trade payables	3,900,606	-	-	3,256,547
Fees paid in advance	1,204,506	1,425,770		
Salary Arrears	-	-		
Total Trade and Other Payables	9,787,429	4,682,317		

Ageing analysis:	2023/2024	% of the Total			
Under one year	5886823	60%	1,425,770	0.30	-
1-2 years	3,900,606	40%	3,256,547	0.70	-
Total (to tie to totals above)	9787429	100%	4,682,317	-	-

Management

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

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

(i) Credit risk

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

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

The company's management based on prior experience and their assessment of the current economic environment.

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

Financial risk management (continued)

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

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

(ii) Liquidity risk management

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

(iii) Market risk

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

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

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

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

b) Interest rate risk

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

Management of interest rate risk

The institution has not engaged in any financial activities that

iv) Capital Risk Management

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

19. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

The transactions and balances with related parties during the year are as

Description	2023/2024	2022/2023
	Kshs	Kshs
Transactions with Related Parties		
A) Purchases from related parties		
Purchases of electricity from KPLC	558,748	208,455
Total	558,748	208,455
b) Grants /Transfers from the Government		
Grants from National Government	18,275,514	7,506,000
Total	18,275,514	7,506,000
c) Key Management Compensation		
Directors' emoluments	1,295,500	321,000
Total	1,295,500	321,000

20. Events After The Reporting Period

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

21. Ultimate And Holding Entity

The entity is a Technical Training College under the Ministry of Education State Department for Technical and Vocational College. Its ultimate parent is the Government of Kenya.

22. Currency

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling