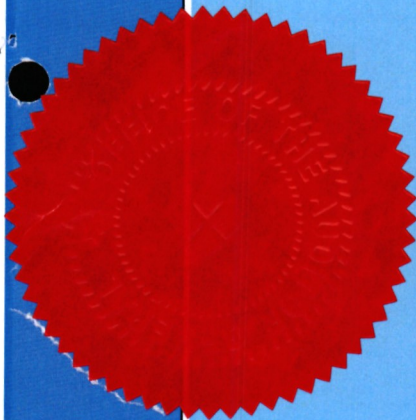
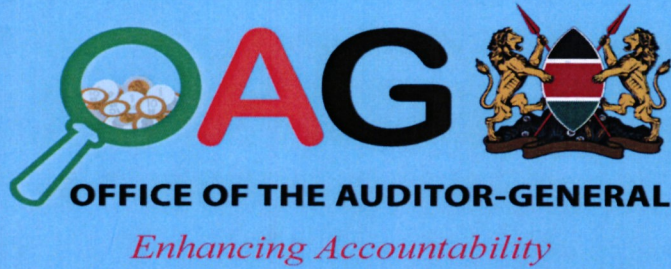


REPUBLIC OF KENYA



REPORT

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY
DATE: 26 JUL 2023 DAY: WED
Tabled by Hon. Kimani Ichungwa, MP
OF The leader, majority party
CLERK AT THE TABLE: Mwanam wado

THE AUDITOR-GENERAL

ON

**MAASAI MARA TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2022**



MAASAI MARA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2022



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I. Key Entity Information and Management

(a) Background information

Maasai Mara Technical and Vocational College (MMTVC) is a newly established public institution. It operates under the TVET ACT no. 29 of 2013. It opened its door to the first batch of students in January 2017. The first group of students sat for their KNEC and other national (e.g. KASNEB) exams in November 2017.

The Narok District Board (DEB) on 9th December 2010 vide Min 56/NN/DEC/12/2010 approved a proposal by the local community to establish Narok Technical Training College on the land provided by the community. The Naretoi Development community Centre Board of Trustees and the Management Committee made a resolution on 11th December 2010 to transfer the Naretoi development Centre to Kenya Technical Teachers College (KTTC) so that a Technical College would be constructed on that property. Two parcels of land approximately 50 acres were transferred to KTTC vide title deed number CIS-MARA/OLOMBOKISHI/187 measuring approximately 18.67 Hectares. KTTC was therefore appointed by the Ministry of Education as the Institution to mentor the proposed Narok Technical Training College under the Economic Stimulus Projects (ESP). The College name was later changed to the current MAASAI MARA TECHNICAL AND VOCATIONAL COLLEGE (MMTVC).

The college infrastructure comprises 4 workshops and 8 classrooms on a two storey building. The workshops include Automotive, Production and Electrical & Electronics workshops, One Hall that serves as training facility for Hospitality department, two temporary Hostels for male students of 100 capacities each and three temporary structures inherited from the community that are serving as Hostels for female students, a kitchen, dispensary and Building and Civil Engineering workshop which also house Dean of students and examination offices.

(b) Principal Activities

The principal activity/mission/ mandate of the entity is to provide skills for sustainable development by offering quality and relevant programmes.

Vision:

A world class institution in the provision of quality and relevant skills and knowledge for dynamic needs of the labour market and employability.

Mission:

To be a world class institution in the provision of quality and relevant skills and knowledge for dynamic needs of the labour market and employability by offering quality and relevant programmes.

Core Values:

- Team work.
- Professionalism and Integrity.
- Transparency and Accountability.
- Creativity and innovation.
- Entrepreneurship and Partnership.
- Health and safety.
- Quality Service Delivery.
- Diligence and commitment to Duty.
- Non-discrimination.
- Efficiency and Timeliness.
- Flexibility in Service Delivery.

(c) Key Management

The MAASAI MARA TVC day-to-day management is under the following key organs:

- Board of Governors
- Principal
- Deputy Principal
- Registrar
- Dean of students
- Finance Officer
- Procurement Officer
- Human Resource Manager

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	JOHN MUNANDU KILONZO
2.	Deputy principal	STEPHEN MUCHIRI SANGIRIAKI
3.	Registrar	ISAAC ORERO MORURI
4.	Dean of students	LYDIA NDIRANGU KARANU
5.	Head of Finance	NOAH LUNKE MATIPE
6.	Head of Procurement	VERONICA NAISIAE LOONTUROT
7.	Head of Human Resource	CAROLINE PENINAH MANYWELE

(e) Fiduciary Oversight Arrangements

Name of the Committee	Members
Finance and General Purpose Committee	JULIUS OLE YENKO SAMMY KASERO PAUL SANKALE
Governance and Ethics Committee	RAPHAEL SARINKE DORRIS TOCHIU IMARIA

(f) Entity Headquarters

EOR-EKULE SHOPPING CENTRE
P.O. Box 577-20500
Along Narok- Mai-Mahiu Road
Narok, KENYA

(g) Entity Contacts

Telephone :(254) 799-213-300/0774213300
E-mail: principalmmtvc@gmail.com
Website: www.mmtvc.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
Narok Branch
P.O. Box 9856 - 20500
Narok, Kenya

Access Bank
Narok Branch
P.o Box 862 - 20500
Narok, Kenya



(i) Independent Auditors



Auditor-General
Office of Auditor General
Anniversary Towers, College 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

II. The Board of Governors





No	Member/ Director	Details
1.	 <p>1. JULIUS T. OLE YENKO</p> <p>Key Qualifications:</p> <ul style="list-style-type: none"> • 1997- 1999: Bachelor of Business Administration- CSM College of Graduate Studies - Canada • 2000-2001: Master of Business Administration CSM College of Graduate Studies – Canada • 1997-2002: Bachelor of Law (LL. B) Shivaji University- Kolhapur India • 2007-2008: Post Graduate Diploma -Kenya School of Law 	<p>Date of Birth; 1976</p> <p>Work Experience</p> <ul style="list-style-type: none"> • 2004-2005: Pupilage at Kenta Moitalel \$ Co. Advocates Nairobi • 2006-2008: Labour Office – Oserian Dev. Company Naivasha • 2009 April-2009 Sept: Associate Lawyer at Kiplenge \$ Co. Advocates Nakuru. • 2009-2012 -Associate Lawyer at Sunkul \$ Co. Advocates Narok • 2012 to Date Partner at Ole Yenko Company Advocates – Narok
2.	 <p>2. JOHN M. KILONZO</p> <p>Key Qualifications</p> <ul style="list-style-type: none"> • 2014 – 2016: Mount Kenya University MBA (Accounting & Finance) • 2011 – 2014: Mount Kenya University Bachelor of Business MGT • 2010 – 2011: KTTC KNEC Higher Dip Ed. MGT • 1990 – 1992 : KTTC Diploma in Technical Education • 1990 – 1992 : Mombasa Polytechnic CPA I & II 	<p>Date of Birth: 1st July, 1963</p> <p>Work Experience</p> <ul style="list-style-type: none"> • Jan 2019 To Date Maasai Mara TVC Principal • 2017 – 2018 Katine TTI Ag. Principal • 2014 - 2017 Katine TTI Deputy Principal • 1996 – 2014 Rwika TTI HoD, Business Dept. • 1994 – 1995 Rwika TTI Deputy HoD, Business Dept. • 1992 – 1993 Shamash Bros – MSA Accountant <p>Jan 1991 – Oct 1991 Maritime Eng. Co. Mombasa Cashier</p>




	<ul style="list-style-type: none"> • 1985 – 1986: Kitui High School Kenya Advanced Cert Of Education • 1981 – 1984: Ikutha Boys High School Kenya Cert Of Education 	
3.	 <p>3. SAMMY S. KASERO</p> <p>Key Qualifications</p> <ul style="list-style-type: none"> • May 2010- July 2013 Undergraduate: Bachelor of Arts Leadership and Management St. Paul’s University College • 1985 Diploma Business Administration Universal College-Nairobi • 1972-1975 High School: E.A.C.E Narok Secondary School 	<p>Date of Birth:</p> <p>Work Experience</p> <ul style="list-style-type: none"> • 1976-2014 -Central Bank of Kenya -Foreign Exchange dealer -Assistant Manager in charge of Back office operations • 2015-2018 -St.Anthony Sec.School BOM Chairman • 2016 to date -Maasai Mara TVC BOG member & Chairman of Finance Committee • 2018 to date -A.I.C Nairagie Enkare Treasurer • 2019 to date St.Anthony’s Secondary school B.O.M Chairman
4.	 <p>4. PAUL SANKALE LOONTUROT</p> <p>Key Qualifications</p> <ul style="list-style-type: none"> • 2018: Msc. Construction Engineering JKUAT • 2013: Bachelor of Philosophy Civil Engineering TUK • 2007: Higher Dip. In Construction Engineering Kenya Polytechnic • 2004: Kenya College of Highways & Building Tech Diploma in Building Construction 	<p>Date of Birth: May 8th 1983</p> <p>Work Experience</p> <ul style="list-style-type: none"> • 2015 to date Maasai Mara University Ag. Estate Manager • 2009-2015 – NUC/Maasai Mara University Clerk of Works • 2008-2009 CIVICON Ltd Assistant Quality Control Officer • 2005-2007 J M Kariuki Concsultants Site Agent

<p>5.</p>	 <p>TOM ANODE</p> <p>Key Qualifications</p> <ul style="list-style-type: none"> • 2009: M.A Project Planning & Mgt UON • 1983: B.A (Hons.) Sociology and Political Science UON • 1987: PGDE Kenyatta University • 1990: Post Graduate Dip. In Computer Science India 	<p>Work Experience</p> <ul style="list-style-type: none"> • 2012 to Present: Maseno University Parttime Lecturer • 2005 to date: Pragmatic Ltd -Research Consult/Trainer • 1998-2005 Private Consultant/Trainer • 1996-1997 Population Board - Research /Team Leader <p>1994-1996 ICIPE Research Centre Research/Admin./Asst.</p>
<p>6.</p>	 <p>5. RAPHAEL S. OLE SARINKE</p> <ul style="list-style-type: none"> • CURRENTLY: University of Nairobi (Finalist) Master of Science in Computer Information Systems –Msc-Cis • 2003-2007 DR. BR AMBEDKAR UNIVERSITY Degree Bachelor of computer Application IT(B.C.A) –First Division 	<p>Date of Birth:</p> <p>Work Experience</p> <ul style="list-style-type: none"> • 2014 to Date Enrex Consultants Ltd -Data Base Administrator • 2010-2014 National Museums of Kenya -Data Base Administrator • 2008-2010 Save the Girl Child -Area Cordinator Narok/Kajiado • 2003-2007 Reliance India Ltd Systems administrator • 1999-2003 Literature Bureau (KLB) Assistant Systems Administrator-Kenya
<p>7.</p>	 <p>6. DENNIS OTIENO OMENDA</p>	<p>Date of Birth:</p> <p>Work Experience</p> <ul style="list-style-type: none"> • 2004 – 2015: K.P.L.C Training School—Principal • 2004-2007 Board Member - Mombasa Polytechnic • 1996-2004 Chief Lecturer – K.P.L.C Training School • 1995-1996 Field Training Co-ordinator KPLC Training School • 1982-1995 Senior Automotive Instructor –KPLC Training School

	<p><u>Key Qualifications</u></p> <ul style="list-style-type: none"> • 2010-2011 Executive Masters of Business Administrative (JKUAT) • 1990-1992 Higher National Diploma - Mechanical Engineering Plant Option –Kenya Polytechnic (Registered Technician Engineer) • 1980-1981 Diploma Technical Education –KTTC • 1975-1980 Technician Apprenticeship – Hughes Ltd • 1971-1974 East Africa School Certificate –Div.2 Awarded full Technology Certificate Rift Valley Technical School Eldoret • 1964-1970 Certificate of Primary Education (CPE) – 32 points, Jamji Primary School – Kericho 	<ul style="list-style-type: none"> • 1980-1981 Assistant Instructor – Ministry of labour (Director of Industrial Training)
<p>8.</p>	<div style="text-align: center;">  </div> <p>7. DORRIS TOCHIU IMARIA</p> <ul style="list-style-type: none"> • 2009: Bachelor of Commerce – University of Nairobi • 2019: ACCA – Accredited Chartered Certified Accountants. London 	<ul style="list-style-type: none"> • Feb 2019 – Present – Consulting Chief Finance Officer – SoProCFO and Kawai consulting limited • Aug 2018- July 2019 – Independent Financial Reporting Consultant – Deloitte Kenya • Dec 2017- July 2018- Audit Consultant - RSM US LLP – • January 2013 – Nov 2017 External Audit – PKF Kenya

III. Management Team

No.	Member/ Director	Details
1.	 JOHN M KILONZO PRINCIPAL Master in Business Administration	Chief Executive Officer/Accounting Officer and Secretary to the Board of Governors
2.	 STEPHEN M SANGIRIAKI DEPUTY PRINCIPAL Higher National Diploma	Deputy Principal Academics other Administrative duties
3.	 ISAAC ORERO MORURI Registrar Masters in Procurement and Logistics	Students' records management and other Administrative duties
4.	 LYDIA NDIRANGU KARANU Dean of Students BA, PGDE	Students' welfare and other Administrative duties

5.	 NOAH LUNKE MATIPE Finance Officer Bachelor of Commerce -Finance	In charge of the Institution's financial Management
6.	 VERONICA LOONTUROT Procurement Officer BBM- Purchasing & Supplies Mgt	In charge of the Institution's procurement Management
7.	 CAROLINE PENINAH MANYWELE Human Resource Manager Bachelor of Human Resource Mgt	In charge of Human Resource

IV. Chairman's Statement

I am pleased to report that Maasai Mara Technical and Vocational College (MMTVC) has continued to perform well in returning exemplary examination results of the Kenya National Examinations Board (KNEC). I take this opportunity to share with you my views on the key initiatives and achievements we have had over the year on economic performance, Education sector changes, financial performance, operations & risks associated with the Institution, and lastly our future outlook.

Economic Focus

In order to ensure efficient and effective provision of Technical Vocational Training, we have developed necessary policies and institutional framework to direct the running of the Institution in line with vision 2030, the Big 4 Agenda and Sustainable Development Goals. In the recent past, the College has experienced tremendous growth in student enrolment from which we have projected an average of 23% annual growth for 2022/2023, based on the current 1,718 in 2021/2022.

We thank the Government of Kenya for providing state-of-the-art training equipment, capitation and employment of Trainers through the devolved system by the Public Service Commission that has greatly contributed towards increased student enrolment and improved quality of training to enable the College align her graduates with regional and global trends and innovation.

Successes

During the year, we have witnessed a positive growth in student enrolment owing to reduction in fees payable as a result of Government Capitation approach to ensure affordable Technical Vocational Training to every high school graduate who has not met the required threshold to join university education. This initiative of transition by the government has so far been successful, and the future looks quite bright indeed. During the year, the institution has managed to construct a Building and Civil engineering workshop and a gate at the upper side of the college land.

In the spirit to excel, we endeavour to be a centre of Excellence in scientific, technological, training and innovation so as to produce competent graduates who are capable of integrating the acquired skills in nation building in line with Vision 2030 and the Big4 Agenda (i.e. food security, affordable housing, universal health and manufacturing).

Challenges Faced

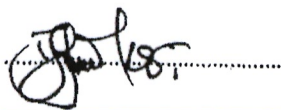
The Technical Training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training outcomes.

The Board of Governors regularly reviews risks identified - such as competition, information & communications technology and credit and operations; and how the risks involved can be mitigated by various risk owners.

Outlook

I am indeed deeply indebted to the members of the Board of Governors for their unwavering support, commitment and futuristic outlook towards realising the College's objectives in line with its strategic plan and core mandate of training market-driven technical manpower. Noteworthy is the Board's diverse qualifications and experience. I unreservedly assure all our Stakeholders we at MMTVC, shall remain focussed, committed and consistent in the delivery of opportunities and accountably availing of resources to both trainers and trainees within the Government framework of accountability, corporate governance and ethical sustainability. Going forward MMTVC is committed to working closely in collaboration with other like-minded entities, institutions, agencies and any other bi-lateral & multi-lateral agencies involved in technical and vocational training to ensure that our trainees continue to receive Competency Based Training.

Lastly, I would like to whole-heartedly thank my fellow members of the Board of Governors, Management, Trainers, Trainees – and all other stake-holders for their co-operation, collaboration, continued support and commitment during this period under review.



JULIUS T. OLE YENKO /BOG CHAIRMAN

Date: 30th September, 2022

V. REPORT OF THE PRINCIPAL

Maasai Mara Technical and Vocational College is well placed to providing adequate and relevant training to her graduates that will enable them to contribute towards the attainment of our country's Vision 2030 strategic objectives. In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs in several ways that will ensure their competitiveness in terms of quality and relevance.

With the guidance of the Governing Board, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction. Under my leadership and the overall direction of the College's Board we were able also to be in the forefront in ensuring that financial resources were utilized efficiently and effectively for optimum output. Despite the many challenges brought about by Covid pandemic in the previous years that led to economic constraints, the Institution nevertheless continued to discharge its mandate of training, research and outreach. The challenge of delay in capitation and HELB loan disbursement still exists alongside the prevailing hard economic times in the country.

HIGHLIGHTS OF FY 2021/2022 PERFORMANCE

Students Enrolment;

The Financial Year 2021/2022 started on a high note with the Government keen to ensure TVET Institutions absorb as many Form 4 leavers as possible.

In a move to boost student enrolment the Government has sustained Capitation to all joining and current students. Annual students fee remained as capped in all Technical Institutions & National Polytechnics at Ksh. 56,420/= while the institution has set support system for the needy students to apply for HELB.

The student population over the last 3 years is as below

Financial Year	Population
Year 2019/2020	1,200
Year 2020/2021	1,500
Year 2021/2022	1,718

Contribution to the Big 4 Agenda

The institution continues to equip our students with the relevant competency and skills, as Artisans, Crafts and Diplomas. I have confidence that our students are well equipped with the necessary skills that strategically aligns them with opportunities within the country, regionally and globally at the same time contributing to the realization of the Big 4 Agenda: Health, Manufacturing, Affordable Housing and Food security.

Maasai Mara Technical and Vocational College being a Tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. We shall continue to appeal for such support for several years to come.

On behalf of the Institution Board and Management, I take this opportunity to thank the Government for its unequivocal support during the year under review.

I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the Management team, all staff and our students that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

I look forward to their continued support in the new financial year and the years ahead.



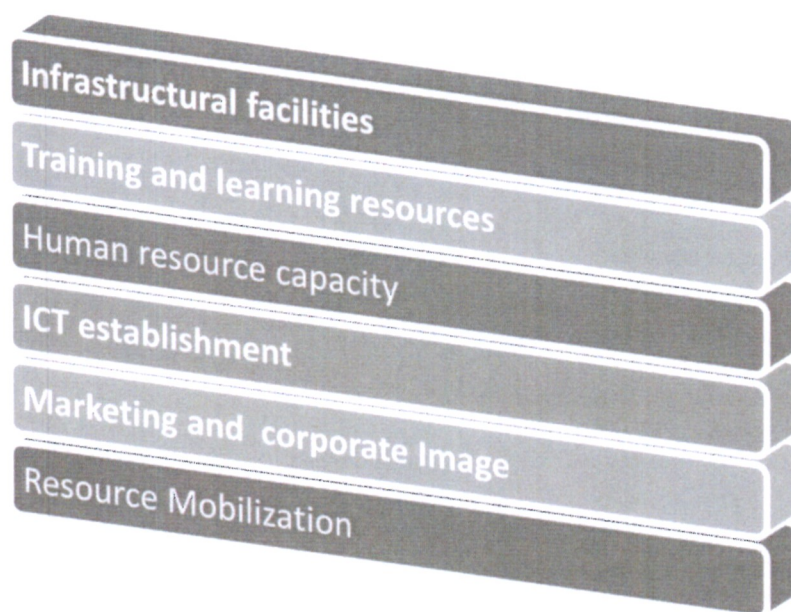
JOHN MUNANDU KILONZO
PRINCIPAL/SECRETARY TO THE BOARD OF GOVERNORS

Date: 30th September, 2022

VI. Statement of Performance against Predetermined Objectives

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

Maasai Mara Technical and Vocational College has six (6) strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2022/2027. These strategic pillars are as follows:



Maasai Mara Technical and Vocational College develops its annual work plans based on the above six (6) pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The *Institution* achieved its performance targets set for the FY 2021/22 period for its six (6) strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Infrastructural facilities	To secure college land by maintaining a perimeter fence and completion of Main gate	<ul style="list-style-type: none"> Maintenance of perimeter fence Completion of main gate 	Perimeter fence put in place Main gate partially completed	Work in progress

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	To construct a Building and Civil Engineering Workshop	Construction of BCE workshop	BCE Workshop constructed	Achieved

VII. Corporate Governance Statement

Maasai Mara Technical and Vocational College is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens Board and management accountability and helps build public trust in the College.

The Board is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, science and technology to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Board serves as the ultimate decision-making body of the College, except for those matters reserved to or shared with the Government of Kenya. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the College in line with the Technical, Vocational, Education & Training Act of 2013 and the constitution of the Republic of Kenya.

The Board has established Corporate Governance Guidelines which provide a framework for the effective governance of the College. The guidelines address matters such as the Governing Board's Vision and mission, overall strategy, members' responsibilities, Board committee structure, recommendation of the Chief Executive Officer, Over-sighting the performance and evaluation of management. The Board regularly reviews developments in corporate governance and updates the Corporate Governance Guidelines and other governance materials as it deems necessary and appropriate.

The College's corporate governance materials, including the Corporate Governance Guidelines, the College's legal order, the terms and reference for each Board committee, the College's Codes of Business Conduct, information about how to report concerns about the College and the College's public policy engagement and technological contributions policy.

Note:

- 1) There were 5 full board meetings held during the year.
- 2) No board charter exists at the moment.
- 3) Succession plan is after every 3 years.
- 4) No board remuneration.

Prior to the beginning of each year, Board meetings are scheduled in line with the key financial reporting dates. A more detailed agenda, together with the Board papers, is distributed in a timely manner before each Board meeting. All Members receive sufficient relevant information on financial, Academics and development issues to enable informed decisions to be taken by them at the Board meetings. Any specific actions arising during meetings are agreed by the Board and a follow-up procedure monitors their completion. Monthly financial and operational reviews are distributed to the Board, irrespective of whether a scheduled meeting is to take place. This assists the Board to keep informed of developments on a regular basis.

Time is allocated at all meetings to discuss any other business, which all Members are invited by the Chair to raise. All Members participate in strategy development and decisions required to implement actions to progress towards meeting the objectives of the Company.

The Board Chairperson's primary role is to ensure the effective running of the Board and that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives.

The Principal's primary role is to deal with the running of the College and executive management of all the staff. He advises the Board and reports directly to the Chair on College Governance matters. He also advises the Board on legal and governance matters, helping to ensure that Board procedures and applicable rules and regulations are observed.

The Members are also able to take independent professional advice in the furtherance of their duties as necessary.

The Role and Functioning of the Board

The Board is comprised of a BOG Chairperson, Principal (Secretary to Board) and five board Members. The Members have a balance and depth of skills and experience, together with knowledge of the College's operations, which enables them to discharge their respective duties and responsibilities effectively.

The Board is collectively responsible for the long-term success of the College.

There is a formal schedule of matters reserved for consideration by the Board, which include responsibility for the following:

- i) Approval of overall College strategy and objectives.
- ii) Approval of the annual budget and monitoring progress towards its achievement.
- iii) Review and approval of the annual financial statements.
- iv) Approval of College's financing arrangements from donors and other government agencies.
- v) Approval of major unbudgeted expenditure.

These reserved matters are reviewed by the Board, at least annually, to ensure they remain appropriate and complete. The board Members are Non-executive.

Board performance

Performance evaluations identify and record achievements, training requirements and areas for improvement in relation to annual objectives and performance of their respective roles, in order to consider effectiveness. Objectives for the forthcoming year are defined along with identification of how achievements will be met, target dates and details of resource constraints or issues to ensure that actions are planned and taken as a result of the evaluation process.

We strive to provide the highest quality of training to our students by;

- i) Being courteous, fair, ethical and professional.
- ii) Being positive and helpful and provide reasons for any decisions we make.
- iii) Providing assistance when required.
- iv) Answering enquiries or requests accurately and in a timely manner
- v) Treating our staff, Contractors and Suppliers honestly and with respect.

Keeping the College clean, tidy and free from any damage.

VIII. Management Discussion and Analysis

During the year 2021/2022, MMTVC had **1,718** students compared to **1,500** in year 2020/2021. Though the student numbers increased during the year, the revenue from rendering of services remained the same due to delay in disbursement of HELB loans and the prevailing hard economic times in the Country.

Though the Government did not disburse quarter four capitation, there was an increase in Government Capitation from **Ksh 30,300,000** in the year 2020/2021 to **Ksh.31,395,000** in the year 2021/2022 because of the increased student enrolment in the F.Y 2021/2022.

During the financial year 2021/2022, the institution commissioned various projects as shown in the table below.

PROJECT NAME	BUDGET ESTIMATE	AMOUNT SPENT F.Y 2021.2022	% COMPLETION
Building and Civil Engineering Workshop	3,000,000	3,087,500	100
College gate	2,500,000	1,616,650	80
Student Ablution block	3,000,000	880,420	100
Staff Quarters	4,000,000	787,250	100
Sports field	3,500,000	175,000	70
TOTALS		6,546,820	

The courses offered by the institution are in a high demand at the moment but the institution is not able to hold more students due to various challenges such as;

- i. Limited accommodation for students
- ii. Lack of sports and games infrastructure
- iii. Lack of health care facilities
- iv. Over reliance on Government grants
- v. Insufficient clean water
- vi. Understaffing in Departments for both Academic and Non-Academic staff
- vii. Limited classrooms for students

Institution’s compliance with statutory requirements

The Institution has fully complied with all the statutory requirements e.g. Statutory deductions from employees’ Salaries i.e. NHIF, NSSF, PAYE etc. and it has no any form of pending Contingent liabilities whatsoever.

Key projects and investment decisions the Institution is planning

Key Investment Decision that the Institution is currently planning to undertake is farming.

The investment decision is highly viable since the College has good opportunities such as, reliable source of water from nearby stream, ready market for the products it intends to produce, and favourable climatic conditions for cultivation.

Key Projects that Institution is planning to undertake are as follows;

- i. Completion of sports and games infrastructure to be funded by the Institutions internally generated

income.

- ii. Construction of more classrooms which the institution will seek funding from the National Government's Ministry of Education State Department of Technical and Vocational Training
- iii. Piping borehole water to all Institution's premises where the Institution is yet to determine the source of funding.

All this project and investment decisions will enable the Institution increase student's enrolment which will assist the Government realize vision 2030 through provision of Technical Training to the Youth.

Major risks facing the entity

Some of the major risks facing the Institution are as follows;

- i. Understaffing in departments in both academic and non-academic staff.
- ii. Stiff Competition from Private Institutions offering the same courses and skills.
- iii. Lack of Assets of capital nature such as College bus which could ease transport of students.

Credit and Liquidity risks which poses serious threats from suppliers which is as result of delayed fees payment from sponsors such as NYS hence over reliance on Government grants.

Material arrears in statutory/financial obligations

Our Institution is pleased to report that it has no material arrears in statutory and financial obligations.

So far so good we have been able to comply with all the statutory requirements and there are no dues in all material respect.

The entity's financial probity and serious governance issues

Under this section the Institution is pleased to report that there are no any serious governance issues reported by the External Auditors, BOG Audit Committee or any other Government Authority providing oversight and that there is no conflict of Interest from any of our Board of Governors' Members.

IX. Environmental and Sustainability Reporting Statement

Maasai Mara Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence.

Sustainability strategy and profile

(In MMTVC, we don't just give students an education and experiences that set them up for success in a career. We help them succeed in their career—to discover a field they're passionate about and dare to lead it. We recognize that this is the foundation of a strong and self-sustaining society. To achieve this, we strive to integrating sustainability principles and practices across all our departments and throughout all our activities: administration and governance, operations, research, teaching & learning, community engagement and outreach activities.

Everyone in the institution is committed to work together as one unit to contribute to the sustainability of the institution. Students, staff and even the community in general is committed to their responsibilities that will ensure the continuity of the institution

Environmental performance

The institution commits to reduce environmental impact through farming that is done by the students and financed by the institution. The farm produce will be sold to the neighbouring community at affordable prices. Farming contributed positively to the ecosystem and contributes to the global goals of greenhouses gases reduction. Other activities include waste management, planting trees etc.

MMTVC recognises that today's society is more informed and responsive to issues of accountability, with increased demand for quality and efficient service delivery and skills acquisition. There is therefore responsibility on the institution to provide other Institutions with skilled personnel who will contribute in service delivery for national development.

Employee welfare

Maasai Mara Technical and Vocational College recruit employees from diverse backgrounds. This is achieved by encouraging all to apply for adverts. The adverts are put on institutions' websites and on social media i.e., Twitter, Facebook, WhatsApp groups, and public offices to attract as many applicants as possible. This has enabled the college to employ both females, males, and PWD. The ratio as of September 2022 is

Stakeholders take part in the recruitment process i.e., representatives of the board of governors, senior management, technical staff, and ministry officials. The policy review is done annually.

Performance appraisal is done mid-year, annually, and after the probation period. This help to come up with a development plan i.e., Identifying constructive suggestions for growth example specific actions, behaviour, learning opportunities, research areas, specific work assignments, and topic for training.

OSHA policy is in place, charts are displayed in strategic places like trainees' notice boards and reception. A compliance certificate has also been acquired.

Market place practices-

The College has maintained good business practice by complying with the government policy and Section 227 of The Constitution of Kenya.

All procurement activities have continuously been carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure.

The organization has maintained and continuously updated list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs.

MMTVC has at all-time ensured responsible treatment of the suppliers in various ways as featured below;

- a) Ensuring proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- b) Providing customer support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- c) When doing procurement planning the College has complied with preference and reservation requirements.
- d) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- e) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

Corporate Social Responsibility/Community Engagements

During the year under review, the College carried out various CSR activities to impact the society. The main CSR activities carried out by the Institution in the year under review include;

- Partnering with the Kenya Forest Service department in the Mau Complex where the Institution planted 500 tree seedlings in block 7 (Siera-leon) part of the Mau forest in a bid to promote environmental conservation.
- The Institution took part in cleaning up the nearby market where 70 Students took part in the exercise which was a motivation to the Community to carry out cleaning of Market streets regularly.
- The College visited the nearby Charity Organizations such as Siyiapei Children Home and Nairegie Enkare Children home where we donated foodstuff and did motivational talks to organization which gives hope to the less fortunate in the society.
- Partnering with the Young Africa works (Canadian partners) where our marketing team was taught decent marketing strategies in order to increase enrolment of trainees. An activity which has direct impact on the community.

X. Report of the Board of Governors

The Board/Board members submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of Maasai Mara Technical and Vocational College's affairs.

Principal activities

The principal activity of Maasai Mara Technical and Vocational College is to provide skills for sustainable development by offering quality and relevant programmes

Results

The results of the entity for the year ended June 30 are set out on page 1 to 20.

The Board of Governors

The members of the Board /Board who served during the year are shown on page 6 to 9. During the financial year 2021/2022 no director retired/ resigned.

Auditors

The Auditor General is responsible for the statutory audit of the Maasai Mara Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Maasai Mara Technical and Vocational College for the year/period ended June 30, 2022, 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

Date: 30th September, 2022

XI. 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 that entity, which give a true and fair view of the state of affairs of the Maasai Mara Technical and Vocational College at the end of the financial year/period and the operating results of the Institution for that year/period. The Board members are also required to ensure that the Institution keeps proper accounting records which disclose with reasonable accuracy the financial position of Maasai Mara Technical and Vocational College. The board is also responsible for safeguarding the assets of the Institution.

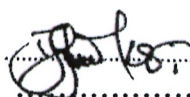
The Board members are responsible for the preparation and presentation of the Maasai Mara Technical and Vocational College's financial statements, which give a true and fair view of the state of affairs of the Institution for and as at the end of the financial year (period) ended on June 30, 2022. This 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 Institution, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Maasai Mara Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act)). The board members are of the opinion that the Maasai Mara Technical and Vocational College's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the Maasai Mara Technical and Vocational College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Maasai Mara Technical and Vocational College, which have been relied upon in the preparation of the Maasai Mara Technical and Vocational College's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Maasai Mara Technical and Vocational College's financial statements were approved by the Board on 30th September 2022 and signed on its behalf by:


.....


.....

REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MAASAI MARA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Control, 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and overall governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Maasai Mara Technical and Vocational College set out on pages 1 to 39, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of

Report of the Auditor-General on Maasai Mara Technical and Vocational College for the year ended 30 June, 2022

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Maasai Mara Technical and Vocational College as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Statement of Financial Position

The statement of financial position reflects capital reserves for Kilgoris TVC amounting to Kshs.50,478,422 in respect to the mentored Kilgoris Technical and Vocational College which is not a beneficial receipt to the Institute.

In the circumstances, the accuracy of the statement of financial position as at 30 June, 2022 could not be confirmed.

2. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects total expenditure budget of Kshs.164,014,110 which differs with the recalculated amount of Kshs.190,787,310 resulting to unexplained variance of Kshs.26,773,200.

In the circumstances, the accuracy of the statement of comparison of budget and actual amounts could not be confirmed.

3. Inaccuracies in Cash and Cash Equivalent

The statement of financial position and as disclosed in Note 26 to the financial statements reflects a balance of Kshs.9,691,962 in respect to cash and cash equivalent. However, the cash books balances reflected a total balance of Kshs.9,726,447 resulting to unexplained variance of Kshs.50,735 as detailed below:

Bank	Financial Statement Balance (Kshs)	Cash Book Balance (Kshs)	Variance (Kshs)
Kenya Commercial bank	3,233,972	9,295,187	(6,061,215)
Kenya Commercial bank	6,034,942		6,034,942
Access Bank	406,798	431,260	(24,462)
Total	9,675,712	9,726,447	50,735

In addition, only one cash book is maintained for the two-bank accounts maintained at Kenya Commercial Bank. It was therefore not possible to establish the cash book balance for each bank account.

In addition, review of records revealed that the bank reconciliation statement for one of the commercial bank account reflected balance as per cash book of Kshs.3,233,972 which differs with the cash book balance of Kshs.9,295,187 resulting to an unexplained variance of Kshs.6,061,214. The cash book and bank reconciliation statement for the other commercial bank account with balance of Kshs.6,034,942 was not provided for audit review.

Further, the bank reconciliation statement for the Access bank account with balance of Kshs.406,798 reflected balance as per cash book of Kshs.406,799 which differs with the cash book balance of Kshs.431,260 resulting to an unexplained variance of Kshs.24,461 in respect to bank charges. However, no explanation has been provided for failure to update the cash book.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.9,675,712 could not be confirmed.

4. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.236,050,991. However, Note 19 to the financial statements reflected net book value balance of Kshs.133,099,331 resulting to an unexplained variance of Kshs.102,951,660. Further, property, plant and equipment balance includes the value of land, buildings, computers, and equipment totalling to Kshs.80,474,763 which were donated by the Ministry of Education. However, as previously reported, evidence of the valuation of assets in compliance with Paragraph 27 of International Public Sector Accounting Standards (IPSAS) 17 which states that where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition was not provided for audit.

In addition, the balance includes work in progress totalling to Kshs.27,890,196 in respect to the mentored Kilgoris Technical and Vocational College.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.236,050,991 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.164,014,110 and Kshs.94,168,082 respectively resulting to an under- collection of Kshs.69,846,028 or 43% of the budget.

Similarly, the Institute expended Kshs.83,417,120 against an approved budget of Kshs.164,014,110 resulting to an under-expenditure of Kshs.80,596,990 or 49% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Board Sitting Allowances

The statement of financial performance reflects board/ board expenses amounting to Kshs.2,713,850 which includes sitting allowances totalling to Kshs.599,000 paid to the College Principal and other employees. This is contrary to Section 10(1) of the State Corporations Act, 2010 which states that the chairman and members of a Board, other than the chief executive and public officers in receipt of salary, shall be paid out of the funds of the state corporation such sitting allowances or other remuneration as the Board may, within the scales of remuneration specified from time to time by the Committee, approval. Further, the board members were paid a total of Kshs.2,803,275 in sitting allowances at the rate of Kshs.16,000 per member and Kshs.20,000 for the chairman without approval of the Cabinet Secretary. This is contrary to Section 17 of the Technical and Vocational Education and Training Act, 2013 which stipulates that members of a Board of Governors shall be paid in respect of their services such remuneration or

allowances as the Board of Governors shall, with the approval of the Cabinet Secretary, determine.

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

2. Presentation, Accuracy and Disclosure of Financial Statements

Review of the financial statements for 2021/2022 financial year revealed that Note 31 to the financial statements did not reflect the depreciation charge for the year and net book value balances as at 30 June, 2022 and the statement of cash flows was not accurately presented.

In the circumstances, the presentation of the financial statements was not in accordance with the financial reporting template issued by the Public Sector Accounting Standards Board and International Public Sector Accounting Standards (IPSAS).

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 3000 and 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, and based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 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 those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

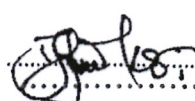
05 July, 2023

XIII. Statement of Financial Performance for the year ended 30 June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from Other National Government Entities	6	54,508,762	59,664,600
		54,508,762	59,664,660
Revenue from Exchange transactions			
Rendering of services- fees from students	7	39,554,320	39,756,816
Sale of College Bull	8	90,000	-
Other income- Sale of Tender	9	15,000	766,365
Revenue from Exchange transactions		39,659,320	40,523,181
Total Revenue		94,168,082	100,187,841
Expenses			
Use of goods and services	15	54,492,516	32,035,389
Employee costs	16	15,940,626	12,533,488
Board /Board Expenses	17	2,713,850	2,803,275
Depreciation and amortization expense	18	3,956,840	3,656,720
Repairs and maintenance	19	10,270,128	10,762,065
Total Expenses		87,373,960	61,790,937
Net surplus for the year		6,794,122	38,396,904


(The notes set out on pages 7 to 39 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 39 were signed by:




Chairman of Board/Board

Date 30th Sept 2022



Finance Officer

Date 30th Sept 2022



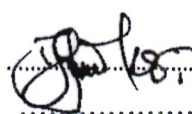
Principal

Date 30th Sept 2022

XIV. Statement of Financial Position as at 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	9,691,962	13,243,777
Current portion of receivables from exchange transactions	27	10,540,275	3,449,286
Receivables from non-exchange transactions	28	7,672,000	7,260,000
Inventories	29	955,852	-
		28,843,839	23,953,063
Non-Current Assets			
Property, plant, and equipment	31	236,050,991	232,963,991
Biological assets – Animals	32	143,200	-
		236,194,191	
Total Assets		265,038,030	256,917,054
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	34	7,145,905	9,779,845
Refundable deposits from Students	35	419,245	421,850
Payment received in advance		6,455,964	0
		14,021,114	10,201,695
Net Assets			
Accumulated Surplus		114,488,844	146,850,699
Capital Reserves (Maasai Mara TVC)		86,049,650	70,500,000
Capital Reserves (Kilgoris TVC)		50,478,422	29,364,660
Total Reserves		251,016,916	246,715,359
Total Net Assets and Liabilities		265,038,030	256,917,054

The Financial Statements set out on pages 1 to 39 were signed by:



Chairman of Board/Board

Date 30th September, 2022



Finance Officer

Date 30th September, 2022



Principal

Date 30th September, 2022

Maasai Mara Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022

	Accumulated surpluses	Capital Reserves Maasai Mara TVC	Capital reserves Kilgoris TVC	Total
	Shs.	Shs.	Shs.	Shs.
Balance b/f as at July 1, 2020	43,175,627	68,638,800	-	111,814,427
Surplus for the year	41,279,492	-	-	41,279,492
Capital reserves(Work-In-Progress)	(29,364,660)	-	29,364,660	-
Transfer of depreciation from accumulated surpluses to capital grants	902,776	(902,776)	-	-
Balance c/d as at June 30, 2021	55,993,235	67,736,024	29,364,660	153,093,919
Balance b/f as at July 1, 2021	55,993,235	67,736,024	29,364,660	153,093,919
Surplus for the year	97,922,997	-	-	97,922,997
Capital reserves (Work-In-Progress)	(21,113,762)	-	21,113,762	-
Transfer of depreciation from accumulated surpluses to capital grants	884,736	(884,736)	-	-
Balance c/d as at June 30, 2022	133,687,206	66,851,288	50,478,422	251,016,916

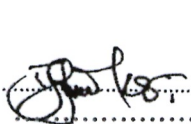
(Note:

**Maasai Mara Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022**

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

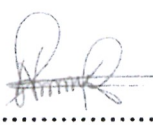
XVI. Statement of Cash Flows for the year ended 30 June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from National Government – Entities	6	54,508,762	59,664,660
Rendering of services- fees from students	7	39,554,320	39,756,816
Sale of goods- Bull	8	90,000	-
Other income -sale of tender	14	15,000	766,365
Total Receipts		94,168,082	100,187,841
Payments			
Employee Costs	16	15,940,626	12,533,488
Use of goods and services	15	54,492,516	32,035,389
Board Expenses	17	2,713,850	2,803,275
Repairs and Maintenance	19	10,270,128	10,762,065
Total Payments		83,417,120	58,134,217
Net Cash Flows from operating activities		(10,750,962)	42,053,624
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(6,546,820)	(50,828,249)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(6,546,820)	(50,828,249)
Net Increase/(Decrease) in Cash and Cash equivalents		22,919,489	(24,984,872)
Cash and Cash equivalents at 1 JULY	26	13,243,777	38,228,649
Cash and Cash equivalents at 30 JUNE	26	9,691,962	38,228,649



Chairman of Board/Board

Date. 30th September 2022



Finance Officer

Date. 30th September 2022



Principal

Date. 30th September 2022

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XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

Description	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Utilization Difference	
	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	%
Revenue												
Transfers from other govt entities and govt grants	40,528,000		-		40,528,000		54,508,762		(13,980,762)			34.5%
Rendering of services- fees from students	112,840,000		-		112,840,000		39,554,320		73,285,680			65%
Sale of goods	811,600		-		811,600		90,000		721,600			89%
Other income	9,834,510		-		9,834,510		15,000		9,819,510			99%
Total Income	164,014,110		-		164,014,110		94,168,082		69,846,028			43%
Expenses												
Compensation of employees	15,667,908		-		15,667,908		15,940,626		(272,718)			1.7%
Use of goods and services	144,735,402		-		144,735,402		54,492,516		90,242,886			62%
Remuneration of directors	3,584,000		-		3,584,000		2,713,850		870,150			24%
Other expenses	26,800,000		-		26,800,000		10,270,128		16,529,872			62%
Total Expenditure	164,014,110		-		164,014,110		83,417,120		107,642,908			66%
Surplus For the Period							10,750,962		(37,796,880)			

(Budget notes)

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

XVIII. Notes to the Financial Statements

1. General Information

Maasai Mara TVC is established by and derives its authority and accountability from PFM Act, the State Corporations Act and the TVET ACT no. 29 of 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The institute is established under the Ministry of Higher Education, Science and Technology via certificate number **TVETA/PUBLIC/RC/0018/2016**. The entity's principal activity is to provide skills for sustainable development by offering quality and relevant programmes.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Maasai Mara TVC accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Maasai Mara Technical and Vocational College (MMTVC).

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

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and

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

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Standard	Effective date and impact:
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
<p>IPSAS 43</p>	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for</p>

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Standard	Effective date and impact:
	<p>users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

Maasai Mara Technical and Vocational College did not early-adopt any new or amended standards in year 2022.

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

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of

completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

Sale of goods

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

Interest income

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

Dividends

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

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 2021/2022 was approved by the Board or Board on **JULY 1, 2021**. 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 in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of xxx on the FY 2021/2022 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 a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule xxx of the xxx Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 20 years.

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

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When

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

f) Leases

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

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

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

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

j) Inventories

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

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

k) 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 liabilities

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

Contingent assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *(Entity to state the reserves maintained and appropriate policies adopted).*

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

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

o) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

p) Borrowing costs

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) 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.

r) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) 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.

t) Comparative figures

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

u) 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, 2022.

Notes to the Financial Statements (Continued)

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 available. Additional disclosure of these estimates of provisions is included in Note xxx.

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

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	31,395,000	30,300,000
Operational Grant	2,000,000	
Conditional Grants		
Development grants for Kilgoris TVC	14,512,076	29,364,660
Kilgoris N.G CDF	6,601,686	
Total Government Grants and Subsidies	54,508,762	59,664,660

(a) Transfers from other Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2020-2021
			Kshs	Kshs	Kshs
xx State Department	xx	xx	xx	xx	xx
XX Ministry	xx	xx	xx	xx	xx
Total	xx	xx	xx	xx	xx

Notes to the Financial Statements (Continued)

7. Grants from Donors and Development Partners

Description	2021-2022	2020-2021
	Kshs	Kshs
JICA- Research Grant	xxx	xxx
World Bank Grants	xxx	xxx
In-Kind Donations	xxx	xxx
Other Grants	xxx	xxx
Total Grants from Development Partners	xxx	xxx

Reconciliations of grants from donors and development partners

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance unspent at beginning of year	xxx	xxx
Current year receipts	xxx	xxx
Conditions Met - Transferred to Revenue	xxx	xxx
Conditions Yet To Be Met - Remain Liabilities	xxx	xxx

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Description	2021-2022	2020-2021
	Kshs	Kshs
	xxx	xxx
Transfer from County XX		
Transfer from XX University	xxx	xxx
Transfer from XX Institute	xxx	xxx
Total Transfers	xxx	xxx

9. Public Contributions and Donations

Description	2021-2022	2020-2021
	Kshs	Kshs
Public Donations	xxx	xxx
Donations from Local Leadership	xxx	xxx
Donations from Religious Institutions	xxx	xxx
Donations from Alumni	xxx	xxx
Other Donations	xxx	xxx
Total Donations and Contributions	xxx	xxx

(Provide brief explanation for this revenue)

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10. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Fees	38,147,770	38,083,382
Accommodation fees	1,251,200.00	-
Examination Fees	74,950.00	1,556,880
Application fees	76,400.00	22,000
Registration Fees	4,000.00	-
Total Revenue from The Rendering Of Services	39,554,320	39,756,816

(This revenue is purely form students' fees paid to the Institution)

11. Sale of Goods

Description	2021-2022	2020-2021
	Kshs	Kshs
Sale of Bull	90,000	-
Total Revenue from Sale of Goods	90,000	-

(This revenue was realized from sale of the college bull, though the Institution intends to purchase two heifers from the proceeds)

12. Rental revenue from facilities and equipment

Description	2021-2022	2020-2021
	Kshs	Kshs
Sale of Tender document	15,000	16,000
Total	15,000	16,000

(This is revenue generated from sale of tender document)

13. Finance Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Cash investments and fixed deposits	xxx	xxx
Interest income from treasury bills	xxx	xxx
Interest income from treasury bonds	xxx	xxx
Interest from outstanding debtors	xxx	xxx
Total finance income	xxx	xxx

(Provide brief explanation for this revenue)

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14. Other Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Insurance recoveries	xxx	xxx
Consultancy fees	xxx	xxx
Income from sale of tender	15,000	xxx
Graduation fees	xxx	xxx
Miscellaneous (<i>specify</i>)	xxx	xxx
Total other income	15,000	xxx

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

15. Use Of Goods And Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Admin. costs	13,997,041	11,985,506
Asset tagging	376,500	-
E.W.C expenses	1,993,469	1,473,137
Exam Fees	86,230	4,439,650
Farm Expenses	339,500	-
Fire Extinguishers	127,441	-
Industrial Attachment Expenses	1,019,700	292,400
Insurance Expenses	544,616	678,375
Kitchen	218,950	-
KNEC Exams	7,715,160	-
Library Expenses	1,723,025	870,050
Medical Expenses	188,075	83,575
Practical Expenses	840,914	-
Publicity & Marketing/advertising	333,450	247,620
Students Activity Expenses	935,033	-
Students Council Expenses	9,000	26,500
Students Id Expenses	90,125	-
Students Meals Expenses	7,609,156	3,545,572
Tuition Expenses	16,345,131	6,619,146
Travelling and Accommodation		123,550
Gardening		242,508
Accommodation expenses		1,407,800
Total good and services	54,492,516	32,035,389

Notes to the Financial Statements (Continued)

16. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	15,940,626	12,533,488
Employee Costs	15,940,626	12,533,488

17. Board Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Board Expenses	2,713,850	2,803,275
Total	2,713,850	2,803,275

18. Depreciation and Amortization expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	3,956,840	3,656,720
Total depreciation and amortization	3,956,840	3,656,720

19. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Repair of buildings and equipment	10,270,128	10,762,065
Total Repairs and Maintenance	10,270,128	10,762,065

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Notes to the Financial Statements (Continued)

20. Contracted Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Actuarial valuations	xxx	xxx
Investment valuations	xxx	xxx
Property valuations	xxx	xxx
Total contracted services	xxx	xxx

21. Grants and Subsidies

Description	2021-2022	2020-2021
	Kshs	Kshs
Community Development	xxx	xxx
Education Initiatives and Programs	xxx	xxx
Social Development	xxx	xxx
Community Trust	xxx	xxx
Sporting Bodies	xxx	xxx
Total Grants and Subsidies	xxx	xxx

22. Finance Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Borrowings (Amortized Cost)*	xxx	xxx
Finance Leases (Amortized Cost)	xxx	xxx
Unwinding of Discount	xxx	xxx
Interest on Bank Overdrafts	xxx	xxx
Interest on Loans from Commercial Banks	xxx	xxx
Total Finance Costs	xxx	xxx

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

23. Gain On Sale of Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment	xxx	xxx
Intangible Assets	xxx	xxx
Other Assets not capitalised	xxx	xxx
Total Gain On Sale of Assets	xxx	xxx

Notes to the Financial Statements (Continued)

24. Unrealized Gain on Fair Value Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Investments at Fair Value	xxx	xxx
Total Gain	xxx	xxx

25. Impairment Loss

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment	xxx	xxx
Intangible Assets	xxx	xxx
Total Impairment Loss	xxx	xxx

26. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account	9,675,712	13,200,927
Cash in Hand	16,250	42,850
Total Cash and Cash Equivalents	9,691,962	13,243,777

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

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank Main Acc.	1202645658	3,233,972.00	5,346,522
Kenya Commercial Bank Dev't Acc	1202643957	6,034,942.00	7,840,747
Access Bank	16302985001	406,798.00	13,658
Grand Total		9,675,712.00	13,200,927

Notes to the Financial Statements (Continued)

27. Receivables from Exchange transactions

27(a) Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student Debtors -	10,540,275	3,449,286
Total Current Receivables	10,540,275	3,449,286

27(b) Long- term Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	xxx	xxx
Advance Payments	xxx	xxx
Public Organizations	xxx	xxx
Less: Impairment Allowance	(xxx)	(xxx)
Total	xxx	xxx
Current Portion Transferred To Current Receivables	(xxx)	(xxx)
Total Non-Current Receivables	xxx	xxx
Total Receivables	xxx	xxx

27 (c) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	xxx	xxx
Provisions during the year	xxx	xxx
Recovered during the year	(xxx)	(xxx)
Write offs during the year	(xxx)	(xxx)
At the end of the year	xxx	xxx

28. Receivables from Non-Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Capitation Grants* QUARTER 4	7,672,000	7,260,000
Total Current Receivables	7,672,000	7,260,000

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

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	xxx	xxx
Additional provisions during the year	xxx	xxx
Recovered during the year	(xxx)	(xxx)
Written off during the year	(xxx)	(xxx)
At the end of the year	xxx	xxx

29. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores	955,852	-
Total Inventories at lower of Cost and Net Realizable Value	955,852	-

Notes to the Financial Statements (Continued)

30. Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	xxx	xxx
CBK	xxx	xxx

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Sub- Total	xxx	xxx
b) Investment with Financial Institutions/ Banks		
Bank X	xxx	xxx
Bank Y	xxx	xxx
Sub- Total	xxx	xxx
c) Equity Investments (Specify)		
Equity/ Shares in Company Xxx	xxx	xxx
Sub- Total	xxx	xxx
Grand Total	xxx	xxx

d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding			
	%	%	%	Kshs	Kshs	Kshs
Entity A	xxx	xxx	xxx	xxx	xxx	xxx
Entity B	xxx	xxx	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx	xxx	xxx

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
31. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Land	Leasehold	Motor vehicles	Furniture and fixtures	Computer equipment	Plant and equipment	Capital Work in progress	Capital Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 30 th June 2018	47,000,000	23,500,000			2,178,875	761,000	3,910,000			77,349,875
Additions	5,684,982									5,684,982
At 30 th June 2019	52,684,982	23,500,000		-	2,178,875	761,000	3,910,000	-		83,034,857
Additions								6,794,461		6,794,461
At 30 th June 2020	52,684,982	23,500,000		-	2,178,875	761,000	3,910,000	6,794,461		89,829,318
Additions	4,599,655		2,100,000	7,162,250	204,800			8,871,348	27,890,196	50,828,249
At 30 th June 2021	57,284,637	23,500,000	2,100,000	7,162,250	2,383,675	761,000	3,910,000	15,665,809	27,890,196	140,657,567
Additions	3,087,500									
At 30 th June 2022	60,372,137	23,500,000	2,100,000	7,162,250	2,383,675	761,000	3,910,000	15,665,809	27,890,196	143,745,067
Depreciation and impairment										
At 30 June 2018	-	-	-	-	-	-	-	-	-	-
Depreciation	1,053,700	-	-	-	272,359	228,300	488,750	-	-	2,043,109
At 30 th June 2019	1,053,700	-	-	-	272,359	228,300	488,750	-	-	2,043,109
Depreciation	1,032,626	-	-	-	238,315	159,810	427,656	-	-	1,858,407
At 30 th June 2020	2,086,326	-	-	-	510,674	388,110	916,406	-	-	3,901,516
Depreciation	1,103,966	-	42,000	1,790,563	234,125	111,867	374,199	-	-	3,656,720
At 30 th June 2021	3,190,292	-	42,000	1,790,563	744,799	499,977	1,290,605	-	-	7,558,236
Depreciation										
Net book values										
At 30 th June 2021	54,094,345	23,500,000	2,058,000	5,371,687	1,638,876	261,023	2,619,395	15,665,809	27,890,196	133,099,331
At 30 th June 2020	50,598,656	23,500,000		-	1,668,201	372,890	2,993,594	6,794,461	-	85,927,802
At 30 th June 2019	51,631,282	23,500,000		-	1,906,516	532,700	3,421,250	-	-	80,991,748

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements on xxx.

31 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	xxx	xxx	xxx
Buildings	xxx	xxx	xxx
Plant And Machinery	xxx	xxx	xxx
Motor Vehicles including Motorcycles	xxx	xxx	xxx
Computers and Related Equipment	xxx	xxx	xxx
Office Equipment, Furniture, And Fittings	xxx	xxx	xxx
Total	xxx	xxx	xxx

31(c). Biological Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Dairy cow	102,500	-
Calf	40,700	-
		-
Total Deposits	143,200	

32. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At beginning of the year	xxx	xxx
Additions	xxx	xxx
At end of the year	xxx	xxx

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Additions–internal development	xxx	xxx
At end of the year	xxx	xxx
Amortization and impairment		
At beginning of the year	xxx	xxx
Amortization	xxx	xxx
At end of the year	xxx	xxx
Impairment loss	xxx	xxx
At end of the year	xxx	xxx
NBV	xxx	xxx

33. Investment Property

Description	2021-2022	2020-2021
	Kshs	Kshs
At beginning of the year	xxx	xxx
Additions	xxx	xxx
Disposal during the year	(xxx)	(xxx)
Depreciation	(xxx)	(xxx)
Impairment	(xxx)	(xxx)
At end of the year	xxx	xxx

(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).

34. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	7,145,905	2,975,425
Fees paid in advance		561,200
Total Trade and Other Payables	7,145,905	3,536,625

35. Refundable Deposits from Students

Description	2021-2022	2020-2021
	Kshs	Kshs

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Caution money	419,245	421,850
Total Deposits	419,245	421,850

35(b). Payment Received in advance

Description	2021-2022	2020-2021
	Kshs	Kshs
Prepaid Fees	6,455,964	-
Total Deposits	6,455,964	-

36. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning Of The Year	xxx	xxx	xxx	xx	xxx
Additional Provisions	xxx	xxx	xxx	xx	xxx
Provision Utilised	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Change Due To Discount And Time Value For Money	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Transfers From Non -Current Provisions	xxx	xxx	xxx	xx	xxx
Total Provisions	xxx	xxx	xxx	xx	xxx

37. Finance Lease Obligation

Description	2021-2022	2020-2021
	Kshs	Kshs
At the start of the year	xxx	xxx
Discount interest on Lease Liability	xxx	xxx
Paid during the year	(xxx)	(xxx)
At end of the year	xxx	xxx

Maturity Analysis

Period	Amount
--------	--------

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	Kshs
Year 1	xxx
Year 2	xxx
Year 3	xxx
Year 4	xxx
Year 5 and Onwards	xxx
Less: Unearned Interest	(xxx)
	xxx

Notes to the Financial Statements (Continued)

Analysed as:

Description	Amount
	Kshs
Current	xxx
Non- Current	xxx
Total	xxx

38. CAPITAL GRANTS

Description	2021-2022	2020-2021
	KShs	KShs
Administration block donated by government	47,000,000	47,000,000
Land donated by Community	23,500,000	23,500,000
Equipment donated by Govt	18,313,626	
	(1,861,200)	(940,000)
Transfer of depreciation from accumulated surplus	(902,776)	(921,200)
Total capital grants	86,049,650	68,638,800

39. ACCUMULATED SURPLUS

Description	2021-2022	2020-2021
	KShs	KShs
At start of year	67,736,024	47,000,000
Surplus for the year	23,500,000	23,500,000

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Transfer to capital reserves (Kilgoris TVC Work-In-Progress)	(1,561,200)	(1,861,200)
Capital reserves	46,752,820	-
Transfer of depreciation to capital grants	(902,776)	(902,776)
At end of year	114,488,844	67,736,024

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Notes to the Financial Statements (Continued)

40. Cash generated from operations

	2021-2022	2020-2021
	KShs	KShs
Surplus for the year	41,279,492	41,279,492
Adjusted for:		
Depreciation	3,956,840	3,656,720
Working Capital adjustments		
(Increase) in receivables	10,540,275	5,160,511
Decrease in payables	27,640,513	(24,253,346)
Net cash flow from operating activities	(10,362,800)	16,963,418
Surplus for the year	73,054,320	41,279,492

41. Financial Risk Management

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

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

(i) Credit risk

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

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

Notes to the Financial Statements (Continued)

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:

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

41. Financial Risk Management (Continued)

(i) Credit risk (continued)

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

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

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

(ii) Liquidity risk management

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

(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 ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

The 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.

44 Financial Risk Management (Continued)

(iii) **Market risk (Continued)**

b) Interest rate risk(continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (2022: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2022 – Kshs xxx)

Government of Kenya

The Government of Kenya is the principal shareholder of the *entity*, 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 Governors;

X. Appendix 1. IMPLEMENTATION STATUS OF AUDITOR GENERAL RECOMMENDATIONS.

S/No.	Auditor Recommendation	Implementation Status
1.	Absence of Internal Audit Department	Recruitment process-initiated advert placed, shortlisting done, interviews to be conducted soon.
2.	Presentation and inaccuracies in the financial statements	Financial statements in the current financial year have been presented fairly and there no inaccuracies
3.	Unsupported valuation of property, plant and equipment	Valuation of property, plant and equipment done and all the Institutional assets have got values and disclosed in the F.S accordingly.
4.	Irregular payment of trainers	All the trainers have now been advised to register with their relevant bodies (TVETA) for licensing.
5.	Lack of Risk management policy	The management has come up with the risk management policy in is being fully implemented and adhered to.



.....
Finance Officer

Date. 30th September 2022



.....
Principal

Date. 30th September 2022