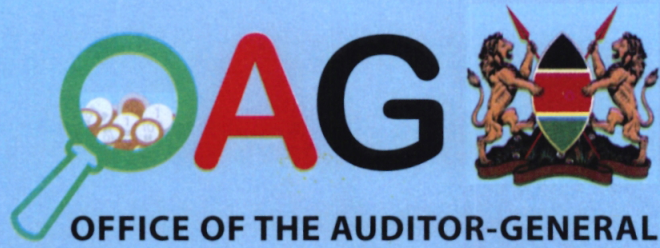


REPUBLIC OF KENYA



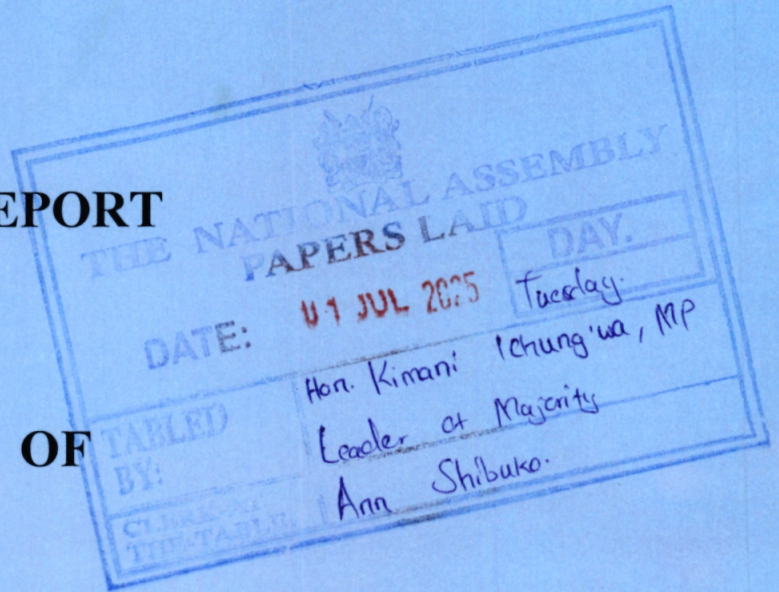
Enhancing Accountability



REPORT

PARLIAMENT
OF KENYA
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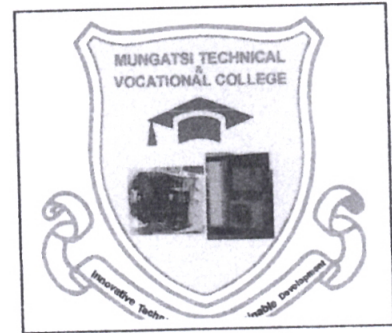


THE AUDITOR-GENERAL

ON

**MUNGATSI TECHNICAL AND VOCATIONAL
COLLEGE**

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



(MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

Table of Contents

1. Acronyms and Definition of Key Terms	ii
2. KEY MUNGATSI TVC INFORMATION AND MANAGEMENT	iii
3. The Council/Board of Governors	9
5. Chairman's Statement	xv
6. Report of the Senior Principal	xvi
7. Statement of Performance against Predetermined Objectives	xix
8. Corporate Governance Statement	xxii
9. Management Discussion and Analysis	xxv
10. Environmental And Sustainability Reporting Statement Sustainability strategy and profile	xxix
11. Report of the Council/Board of Governors	xxxvii
12. Statement of Board of Governors/ Council's Responsibilities	xxxviii
13. Report of the Independent Auditor (MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE)	1
14. Statement of Financial Performance For The Year Ended 30 June 2024	2
15. Statement of Financial Position as at 30th June 2024	3
16. Statement of Changes in Net Asset For The Year Ended 30 June 2024	5
17. Statement of Cash Flows For The Year Ended 30 June 2024	6
18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2	7
19. Notes to the Financial Statements	9
20. Appendices	42

1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
CBET	Competency Based Education and Training
CDACC	Curriculum Development Assessment and Certification Council
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KASNEB	Kenya Accountants and Secretaries National Examinations Board
MTVC	Mungatsi Technical and Vocational College
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2.KEY MUNGATSI TVC INFORMATION AND MANAGEMENT

a. Background information

The institution was incorporated/ established under the TVET Act on 26th April 2021. The Mungatsi TVC is domiciled in Kenya and has no branches for now. The institute is under the Ministry of Education.

Prior to registration and in pursuit to conform to the provisions of the TVET Act the college was visited by TVET officials in early March 2021 after making an online registration and by filling the relevant forms. The Mungatsi TVC is domiciled in Kenya and has no branches in any other place in Kenya. The college is a public Mungatsi TVC and domiciled under the Ministry of Education.

Principal Activities

The principal activity/mission/ mandate of the Mungatsi TVC is to ...

- 1: To develop the priority infrastructure for expansion of technical training programs
- 2: To identify market/industry driven and diverse technical training programs that will lead to raise the inaugural trainee population of 2000 by June 2025
- 3: To offer Quality and Relevant programmes and undertake delivery of technical skills that produce high-end TVET graduates as to achieve vision 2030
- 4: To foster innovations and basic research that will enable enhanced knowledge creation, production and repairs of equipment in our area of training as to meet current and emerging societal needs.
- 5: To adopt and promote innovative and responsive corporate and management systems and structures
- 6: To build and strengthen collaborative networks and partnerships, that, cultivate active industry-based learning, community engagement and national linkages
- 7: To efficiently manage the human, infrastructural and financial resources for optimal sustainability and development of the institution
- 8: To develop and strengthen internal quality assurance that will guarantee continuous improvement of service delivery

The Institute Vision

To be a centre of excellence in engineering, research and innovations for sustainable development.

The Institute Mission

to provide quality skills training in research and innovation for competitive global outreach.

Institutional Motto

Technical training for sustainable development

The Institute's Philosophy Statement

To provide a well-trained market-oriented workforce that is certified to international standards which contributes to the improved productivity and prosperity of the nation.

The Institute's Core Values

1. Professionalism	• MTVC upholds impeccable professional standards in our work and adheres to ethical principles in service delivery.
2. Integrity	• The BOG and employees uphold the highest ethical standards, demonstrating honesty and fairness in all operations.
3. Customer focus	• The ability of MTVC to meet and even exceed customers' expectations.
4. Equity	• We deal with all our stakeholders with great impartiality.
5. Creativity	• MTVC's ability to craft new ideas. Synonymous with innovativeness.
6. Teamwork	• The attitude of BOG members and all employees of MTVC to work together, as one team, towards the realization of the College's mandate.

b. Key Management

The Mungatsi TVC's day-to-day management is under the following key organs: Board of governors, accounting officer/ Principal and Heads of departments.

c. Fiduciary Management

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

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

No.	Designation	Name
1.	Principal	-Kenneth Mung'aho Agoi
2.	Head of Finance	-James Opiyo
3.	Head of Procurement	-Mercyline Khasungu
4.	Deputy Principal	-Henry Odhiambo Nyongesa
5.	Ag. Registrar	-Samuel Okoth Athiambo
6.	Ag. Dean of students	-Naibei Remmy Sasia

d. Fiduciary Oversight Arrangements

The business of the board is carried out through full BOG meetings and attendance is crucial for effective decision making. Failure to attend three consecutive meetings leads to cessation of membership. Independent directors are important for good corporate governance and protecting interests of key stakeholders. They can provide objective advice because they are not subject to undue influence from the management team and can provide objective advice and insights to improve decision-making. They also challenge the college in regard to the direction and performance of the college and its existing team. TVET Act 2013, positions all governors as independent members of the Board, headed by the Chairperson and the function of the full board are conducted through committees mandated to handle specific areas of professional interest. Mungatsi TVC Board has a comprehensive structure consisting of committees in line with current legislation and best practices. The Board has four Committees with specific delegated authorities. The Committees are established to support the Board in executing its responsibilities and obligations. The committees meet at least once every quarter and provide detailed reports and recommendations to the Board that assist in decision making. They are established with Specific terms of reference that are regularly reviewed and streamlined in accordance with terms of reference. The appointment of the Committee members is based on the skills set and experience of individual members. The three current committees put in place are;

e) Entity Headquarters.

Entity Headquarters
P.O. Box 238-50409
Nambale

(f) Entity Contacts

Telephone: (254) 0797777684
E-mail: mungatsitvc@gmail.com

(g) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Kenya Commercial bank
Mumias road
P.o Box 12345
Busia

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

Finance and infrastructure committee

The Finance and Infrastructure Committee of the Board of Governors helps the Board fulfil its governance responsibilities for financial planning and major infrastructure projects. The committee's role is to ensure the proper stewardship of the organization's financial, physical, biological and digital assets.

The committee's responsibilities include:

- i. Assisting the Board with its governance responsibilities
- ii. Ensuring the proper stewardship of the organization's assets
- iii. Fulfilling functions delegated by the Board
- iv. Fulfilling functions approved by the Board
- v. Budgeting and Revision of the budgets
- vi. Memorandum of understanding drafting
- vii. Reporting-narrative and financial data and verification of the same
- viii. Other oversight activities and third-party information

Human resource, Education and research committee

The Human Resources Committee is responsible for reviewing, and in some cases, approving, policies and practices that are developed and implemented by management. The committee offers a platform for peer consultation, sharing of best practices, experiences, and learning through capacity building opportunities. This committee has developed critical human resource manual and other policies which facilitate running of the core mandate of the College.

Risk and Audit Committee

The committee carries out Audit activities. Where MTVC will conduct at least one audit during each quarter of the calendar year. Continuous audit-in lieu of performing annual audit, MTVC may adopt/arrange discrete continuous internal/external audits and such audit will be entrenched in the minutes of the board. Fiduciary audit committee will consist of 3 members where the internal auditor shall be the secretary. The principal is not a member of this

committee and likewise, a member of any other sub-committee of the BOG shall not be a member of the Risk and Audit committee.

The number of Board and committee meetings held and attended by members during the year is presented in a summarized schedule below:

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

BOG MEMBER'S NAME	FULL BOARD	FINANCE COMMITTEE	HUMAN RESOURCE COMMITTEE	RISK AND AUDIT COMMITTEE
PROF. JUDITH SKACHOKA	2	2	2	2
PROF. VIOLET OPATA	2	2	2	2
PROF. BENEDICT ALALA	2	2	2	2
DR. OSBORNE MABALU	2	2	2	2
ENG. FREDRICK ADEMBA	2	2	2	2
MR. STEPHEN GITONGA	2	2	2	2
MR. ALLAN OSWAGO	2	2	2	2
MS. FRIDA NEKESA	2	2	2	2

3.The Council/Board of Governors

REV. PROF. JUDITH ACHOKA

DATE OF BIRTH: 18-12-1955

ABRIDGED PREVIEW OF
CURRICULUM VITAE



CURRENT POSITION:

A Professor at Masinde Muliro University of Science and Technology.

Director of Research and post Graduate since 2004-2010.

Career Progression: Assistant Lecturer (1992); Lecturer (1994); Senior Lecturer

(2008); Associate Professor (2012); Full Professor of Education (2019).

Professional Bodies – 04

Professional Experience: From 1978 to-date been in the teaching fraternity; held various positions including Founder Chair of Department;

Director of a study centre to Director of Research and

Postgraduate studies/

Graduate Student Supervisor: Since 1996 to-date. Completed works: 8 Doctorates and 7 Masters.

PROFESSIONAL MEMBERSHIP

2016: Kenya Universities Quality Network

KUQN

2015: Kenya National Academy of Sciences

KNAS

2021-2023: BOG Chairperson-Mungatsi TVC

To date: BOG Chairperson-Mungatsi TVC



DATE OF BIRTH: 1963

Professor of Educational Communication and Technology, currently teaching at Moi University, school of Education, dept of Curriculum Instruction and Educational Media (CIEM). Professor Violet is a holder

of Ph.D (2005) and MPhil degrees (1998) respectively from Moi University, and a Ed degree (1992) from Kenyatta University.

Chairperson-Human Resource Education and Research Committee: Mungatsi TVC 2021-2023

PROF. BENEDICT ONDIEK ALALA



DATE OF BIRTH-04/02/1978

Moi University

September 2008-September 2013

Doctor of Philosophy in Business Management-(Finance Option)

Kenya Institute of Management

September 2007-September 2008

Post-graduate Diploma in Purchasing and Supplies Management

Moi University

December 2005

MR. KENNETH MUNG' AHO AGOI



DATE OF BIRTH: 11-11-

1967

Principal, Mungatsi

Technical and Vocational
College

BOG Secretary- Mungatsi

TVC 2021

Doctor of Philosophy in

Finance,

Masinde Muliro University of Science and
Technology; 2018 ongoing

MR. STEPHEN NGURE GITONGA.



YEAR OF BIRTH: 1987

**Doctor of Philosophy in Information
Technology** - Masinde Muliro University of
Science and Technology; 2020 ongoing

**Master of Science in Information
Technology** - Masinde Muliro University of
Science and Technology; 2019

**African Advanced Level
Telecommunications Institute- CCNA; 2016**

**Chairman-Risk and Audit
Committee-Mungatsi TVC 2021-2022**

FRIDAH NEKESA



DATE OF BIRTH: 8TH MAY 1977

County Government Of Busia

1 JULY 2020 to Date: Sub-County Administrator

31ST March 2014 to 30TH June 2020: Ward Administrator

Company: Swarthmore International College

June 2008 to Date: Administrative Assistant

January 2004-December 2007: Administrator **Books First Limited**

July 2002 to December 2003: Clerk, **Unison Technologies Limited**

Training:

2017: Senior Management Course: Kenya School Of Government (Mombasa)
2018: Bachelor of Business Administration (Finance Option): Jaramogi
Oginga Odinga University of Science And Technology
2001: Diploma in Business Administration: Eldoret Polytechnic
2021-2023: Member of BOG representing the County government of Busia

MR. ALLAN OSWAGO OYOO



DATE OF BIRTH: 1956

Bachelor of commerce-University of Nairobi.

Management courses locally and in USA.

Insurance executive several companies in Kenya and Uganda .

ENG. FREDRICK ADEMBA DATE OF BIRTH 04/04/1970



EDUCATION BACKGROUND

Bachelor of Arts, Project management and leadership (BML) -
Management University of Africa; May 2017 to date.

Bachelor of Science, Mechanical Engineering-University
of Nairobi:

November 2002 to September 2007.

- **Diploma in Mechanical Engineering Technician**- Kenya
Industrial Training Institute; September 1992 to November 1993
- **Diploma I in Mechanical Engineering Technician**- Kenya Industrial
Training Institute for Mechanical Engineering; May 1991 to July 1992
- **Kenya Certificate of Education**- Bukhalalire Secondary school; January
1987 to December 1990

4. KEY MANAGEMENT TEAM

Kenneth M. Agoi



Principal

Kenneth M. Agoi Trainer in Finance
Holder of MBA Finance From Masinde Muliro
University of Science and Technology 2017
Holder of Bachelor of Education from Kenyatta University
1991
Pursuing PhD in Finance at Masinde Muliro University of
Science and Technology

Henry Odhiambo Nyongesa



Deputy Principal

Trainer in Building Technology
Henry Odhiambo Nyongesa
Holder of Higher Diploma in Entrepreneurship, Diploma
in Technical Education and Diploma in Building Technology

Samuel Okoth Athiambo



Ag. Registrar

Trainer in Refrigeration and Air conditioning
Holder of Bachelor of Technology in Mechanical Engineering-2018
Masters in Mechanical Engineering-sanitation engineering

James Opiyo



Finance Officer

Degree in Finance MBA-Finance CPA 'K'

Mercyline Khasungu



Procurement Officer

Bachelor of Arts-Logistics and Supply Chain Management
A registered member with KISM

5. Chairman's Statement

The College served under 2 Boards, one whose term ended in October 2023 and the current BOG whose term started in April 2024. I am privileged to serve the College on both boards in the same capacity. Our mandate is oversight and focus on objectives set in the strategic plan. The Board strictly focuses to develop Mungatsi TVC through strategic objectives contained in the strategic plan. These objectives are:

- 1: To develop the priority infrastructure for expansion of technical training programs
- 2: To identify market/industry driven and diverse technical training programs that will lead to raise the inaugural trainee population of 2000 by June 2025
- 3: To offer Quality and Relevant programmes and undertake delivery of technical skills that produce high-end TVET graduates as to achieve vision 2030
- 4: To foster innovations and basic research that will enable enhanced knowledge creation, production and repairs of equipment in our area of training as to meet current and emerging societal needs.
- 5: To build and strengthen collaborative networks and partnerships, that, cultivate active industry-based learning, community engagement and national linkages
- 6: To efficiently manage the human, infrastructural and financial resources for optimal sustainability and development of the institution.

The college is equipped in Refrigeration and Air Conditioning and I credit the Government of Kenya for the great effort and financial commitment. A number of proposals have been made to enable the NG-CDF of Nambale to expand the tuition facilities and we are impressed to disclose that their intended support to construct institutional management tuition prefab will go a long way to leveraging MTVC to greater heights of excellent TVET programs. The College will not just wait for structures to be built by donors. We endeavour to utilize work study program to enhance hands on skills that would produce some lecture rooms and workshops in prefabricated designs.

The college faces challenges in implementation of market driven courses in Hairdressing and Beauty therapy, Construction management, fashion design and garment making, motor vehicle mechanics, agribusiness and electrical engineering. Our humble request to the Kenya government to support and help actualize the dream of the many trainees who are already enrolled in such courses and those who will come in future.

In a nutshell, I see hope in the committed team of the BOG members because it is made up of scholars. It is my wish that God makes us speak more through actions than words.



06/06/25.

Judith, SK

Achoka

Chairperson

BOG

6. Report of the Senior Principal

In a modern dynamic society, vulnerability to unemployment denies our youth the luxury of good economy and sustainable lives. The society is crowded with a large percentage of untrained school dropouts at all levels. This calls for mitigants to keep this crowd occupied. We at Mungatsi Technical and Vocational College (MTVC) are one of the players in the Kenyan Technical Education pursuing to engage/ occupy the youth with market driven skills that will transform them into job makers and not job seekers.

MTVC owns 14¹/₂ acres of land that was procured by the Nambale NG-CDF between the year 2016 to 2017 in 4 different parcels. The title deeds have been processed. The College is located one kilometer away from Mungatsi primary school. It was mentored by Bushiangala who received funds from the government and undertook to construct a twin workshop. In its neighborhood lie Madende primary and secondary schools with Mungatsi Primary School to its North.

State of the art machines in the specialization of Refrigeration and air conditioning from China were supplied to the college by the Kenya Government through AVIC INTL. This witnessed lucrative courses of Refrigeration and air conditioning, and other engineering courses together with soft skills courses in a bid to help the Government realize the big 4 agenda and vision 2030 as well as actualize the 100% transition rate. MTVC is therefore expected to foster acquisition of market driven skills by trainees and realize 100% transition rate from basic education.

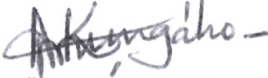
The college is located at 0.4 degrees North of the Equator and 34 degrees East and is highly accessible from all sides as it is located just 1 Kilometer away from a busy Mumia-Busia; Bungoma-Busia highways. MTVC is a Center of excellence in Refrigeration and Air Conditioning. Other courses offered include: Refrigeration and Air Conditioning, Electrical and Electronics Engineering, Automotive Engineering, Building Technology, Mechanical Engineering Plant option, Information Technology, Business Management, CPA, Diploma in Accounting (ATD-KASNEB), Supply Chain Management, Store Keeping, Secretarial Studies, Office Administration, Community Development and Social work, Agriculture, Food and Beverage, Hair dressing and Beauty therapy and Fashion design and Garment Making. All these courses run from artisan certificate to diploma. The main examining bodies are the Kenya National Examinations Council, CDACC and NITA. It is expected that trade tests will be conducted by the institution through NITA to candidates.

The College anticipates receiving at least 1,500 trainees by end of the fourth year of its registration and expanding thereafter. The target of enrolment of 6,000 trainees within the next 2 years is quite feasible. It is envisaged that the institution will create employment for locals and other Kenyans at large and hence catalyse development and growth of the constituency and Busia County and Kenya at large. The college having received 80 chairs for trainees, office furniture and equipment from the Ministry of Education looks forward to engaging donors to enable acquire a vehicle for practical training in motor vehicle mechanics and more equipment in food and beverage and

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

- vii. Poor feeder road from the highway running 1 kilometre to college which is muddy during rainy season.
- viii. Delayed funding which could aid compromise of quality through less practicals.

Despite these challenges, it is quite amazing how Mungatsi TVC surmounts with great resilience as it has notably been commended for excellent performance in National examinations having been the 2nd best performer in KNEC exams at the start of 2024. With turnaround of the above-mentioned hiccups, MTVC is out to give a lot of hope to the academically hopeless and leverage job markets beyond boundaries of formal and informal structures.



Kenneth Agoi
**Principal/Secretary to
BOG**

garment making. The College is secure, having been fenced securely by the Nambale NG-CDF. Quite endowed with great water resources (the water ministry contracted Lake Victoria North water services who deepened a borehole which continues to provide adequate supply of water to the college and the surrounding community now and for generations to come) we intend to do fish farming and introduce Aquaculture as a course in the department of Agriculture. It is also hoped that the College gets partners to do reverse osmosis so as to purify water for sale to supplement fees received from trainees.

Mungatsi TVC operates on the guidance of the Board through adhering strictly to a strategic plan. 8 key pillars are well spelt out by the SP as mentioned in the BOG chairperson's report and it is expected that college's expansion will be realized, massive priority infrastructure constructed, market driven courses mounted, bigger enrolment realized and sustainable employment created to and by the youth graduants thereby catapulting economic growth. MTVC will spearhead delivery of technical skills in the TVET sector and offer Quality and Relevant programmes and undertake produce high-end TVET graduates as to achieve vision 2030. It will foster knowledge creation by encouraging innovations and basic research that will enable enhanced knowledge creation, production and repairs of equipment in our area of training as to meet current and emerging societal needs. By leveraging on its existing quality management structures, MTVC will endeavour to purposely adopt and promote innovative and responsive corporate and management systems and structures that will aid the government produce top notch services and end reliable products. We purpose to build and strengthen collaborative networks and partnerships, that, cultivate active industry-based learning, community engagement, national linkages and dual training. MTVC endeavours to develop and strengthen internal quality assurance that will guarantee continuous improvement of service delivery albeit achieve ISO certification to guarantee continuous improvements in service provision.

However, the College is faced with a number of challenges including.

- i. Library text books: Being new we start from scratch hence lack any text books that trainers will require for studies.
- ii. 1 Lathe machine to support introduction of hands-on courses that complement air conditioning machines.
- iii. Unavailable means of transport (Bus/Van) making excursions and sports expensive due to constant hire of transport.
- iv. Inadequacy of buildings to provide sufficient classrooms for trainees in this era of COVID 19. More room will be needed to provide a stand-alone library, administration block, trainer's quarters and hostels.
- v. Lack of Desktop computers to support training of ICT which is cross-cutting in all courses.
- vi. Inadequate trainer PSC staff making operations expensive.

7.Statement of Performance against Predetermined Objectives

Mungatsi TVC develops its annual work plan on the basis of the key pillar of infrastructural development, training programs, delivery of technical skills, knowledge creation, management structures and allocation of resources while observing the tenets of public financial management and assesses its performance on quarterly basis. MTVC achieved its targets for the period in focus ended 30th June 2024.

MTVC 8 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2023/2024. These strategic pillars are as follows:

Strategic pillar	Objective	Key performance indicators	Activities	Achievements
Pillar INFRASTRUCTURAL DEVELOPMENT	1: To develop the priority infrastructure for expansion of technical training programs	Number of courses mounted Student/trainee enrolment BOG minutes Number of trainers hired	BOG nomination BOG inauguration BOG meetings held Advertisements and road shows Hire of support and teaching staff	BOG already inaugurated BOG meetings held and attended in the mentoring institution Support staff hired
Training programs	2: To identify market/industry driven and diverse technical training programs that will lead to raise the inaugural	Number of courses mounted Minutes for hiring trainers Sourcing curricular/syllabi	Identification of supplier for designing logo, brochures, receipt books etc Meeting holding to prepare for opening	Ricklink supplier identified Critical documents prepared and printed by Supplier Supplier meetings held

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

	trainee population of 2000 by June 2025			
Delivery of technical skills	3: To offer Quality and Relevant programmes and undertake delivery of technical skills that produce high-end TVET graduates as to achieve vision 2030	Meetings held	Research about the needs of the industry Set up Quality assurance unit	Meeting minutes available
Knowledge creation	4: To foster innovations and basic research that will enable enhanced knowledge creation, production and repairs of equipment in our area of training as to meet current and emerging societal needs.	2 BOG Meetings	Meetings held	Minutes of Board and Staff meeting minutes
Management structures	5: To adopt and promote innovative and responsive corporate and management systems and structures	BOG meetings TVETA organized meetings attended Invitation letters to workshops	Attending BOG meetings Attending TVETA and KATTI organized seminars	Organogram in place Letters of invitation available Receipts of registration in place
Collaborations	6: To build and	MOUs BOG	Preparation of	MOU documents

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2024

	strengthen collaborative networks and partnerships, that, cultivate active industry-based learning, community engagement and national linkages	meetings scheduling Requests for afforestation programs from Equity bank	MOUs Tree planting	in place 1000 seedlings supplied and planted
Management of resources	7: To efficiently manage the human, infrastructural and financial resources for optimal sustainability and development of the institution	Grants from the MOE Minutes for Budget preparation of strategic plan BOG minute for hiring of key staff in finance	Actual budget preparation Advertise for the posts of Accountant and procurement officer	Budgets delivered to the MOE Strategic plan available Adopted Prequalification of suppliers from mentor and sister institutions. Hiring of Ag. accountant and
Internal Quality Assurance	8: To develop and strengthen internal quality assurance that will guarantee continuous improvement of service delivery	QAS office Appointment of registrar Preparation of academic policy	Setting up QAS office Setting up the organogram	Registrar appointed QAS appointed

8. Corporate Governance Statement

The building blocks for achievement of the strategic pillars earlier recorded in this report mimics balancing interests of many stakeholders in the college. Therefore, the principle underlying good corporate governance focuses on a number of support structures including:

- i. Board of Governors
- ii. 3 committees of the Board
- iii. The Management team
- iv. Heads of departments.

Board of Governors

The board's main role is to oversee and direct an organization, ensuring its long-term success and profitability while representing the interests of stakeholders. This involves setting strategic direction, monitoring performance, and holding management accountable. Key Responsibilities:

i. Strategic Oversight:

The board sets the organization's strategic direction, including its vision, mission, and goals.

ii. Performance Monitoring:

They regularly review the organization's performance against its goals, ensuring that it is on track to achieve its objectives.

iii. Fiduciary Duty:

The board has a legal responsibility to act in the best interests of shareholders and stakeholders.

iv. Risk Management:

They establish and monitor risk management frameworks and internal controls to protect the organization from potential threats.

v. Accountability:

The board holds management accountable for their actions and ensures that the organization is operating effectively and efficiently.

vi. Governance:

The board is responsible for establishing and maintaining strong governance structures, including policies and procedures that ensure ethical and responsible behavior.

vii. Stakeholder Engagement:

The board engages with various stakeholders, including employees, customers, and the community, to understand their interests and concerns.

3 committees of the Board

Board committees play a crucial role in supporting the board of directors in their oversight responsibilities within a company's corporate governance structure. They act as specialized units, focusing on specific areas like audit, compensation, or nominations,

enabling the board to effectively discharge its fiduciary duties and enhance corporate performance.

Mungatsi TVC has 3 committees namely Finance and infrastructure, Education Human Resource and Research and Risk and Audit committees. Here's a more detailed look at their role:

i. Specialized Oversight and Support:

Board committees allow the board to delegate tasks and responsibilities to smaller groups of directors who can dedicate more time and expertise to specific areas. This enables the board to maintain a broad oversight perspective while ensuring that specific issues are addressed with in-depth scrutiny.

ii. Enhanced Efficiency and Effectiveness:

By focusing on specific areas, committees can develop a deeper understanding of the issues they oversee, leading to more informed decisions and recommendations.

This can improve the board's efficiency as it can rely on the committees' work to make broad decisions and ensure proper oversight.

iii. Promoting Accountability and Transparency:

Committees play a key role in ensuring that the company's financial reporting, internal controls, and compliance are all in order.

They help to build stakeholder confidence by demonstrating that the board is actively involved in monitoring the company's performance and adherence to legal and ethical standards.

Key Management Team

The key management team at Mungatsi TVC comprises the principal, deputy principal, Heads of department and other administrative staff, plays a crucial role in ensuring the smooth functioning and effectiveness of the educational environment. Their responsibilities encompass a wide range of areas, including leadership, management, and supporting the educational process.

Key Responsibilities and Functions:

i. Leadership and Vision:

The key management team sets the overall direction and vision for the institution, guiding its strategic goals and promoting a positive learning culture.

ii. Management and Operations:

They are responsible for managing the day-to-day operations of the college, including budgeting, resource allocation, and ensuring efficient use of facilities and personnel.

iii. Instructional Support:

The team works to support the teaching staff by providing professional development opportunities, curriculum development guidance, and ensuring a supportive learning environment for students.

iv. Student Support:

They offer guidance and counseling services to students, address disciplinary issues, and work with parents to promote a positive learning environment.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT OF THE BOARD OF GOVERNORS

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Mungatsi TVC's affairs.

Principal activities

The principal activities of the Mungatsi TVC are (continue to be) to provide adequate and appropriate skilled Artisans, Craftsmen, Technicians and Technologists at all levels of the economy through practical training and work experience;

Transfer technology continuously through collaborative approach between TVET institutions and the relevant industries;

Results

The results of the Mungatsi TVC for the year ended June 30 are set out on page 2 to 7. The members of the Board /Council who served during the year are shown on page v. During the year 2023/2024 no director retired/ resigned.

Auditors

The Auditor General is responsible for the statutory audit of the Mungatsi TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Mungatsi TVC for the year/period ended June 30, 2023 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

9. Management Discussion and Analysis

This section, we give a comprehensive account of various aspects of operational performance including financial performance, academic outcomes, resource utilization, and stakeholder engagement looking at the key metrics of each of these aspects.

Operational and financial performance of the organisation during the period

Financial performance

The financial statements were analysed by board of governors on 18th September 2023. The statements portrayed true view of the college operations and receipts were true receipts, expenses reflected total expenses incurred during the year. They noted the college has limited sources of income and this limited its operations. They recommended the College to vigorously invest in Income Generating Activities in order to supplement the little finances provided by the government through Capitation and HELB funding. They also envisioned the need for collaborations and strategic partnerships which would attract both physical and financial resources capable of accelerating growth of this young institution.

Academic outcomes

During the year ending June 30th 2024 Mungatsi TVCs academic performance was measured on the metrics of enrolment, dropout rate, graduation, trainee employment and industry partnerships.

Trainee enrolment

The college had just operated for 2^{1/2} years and enrolment had doubled from the initial enrolment of 146 trainees when the college started operating in February 2021.

Dropout rate

Retention rate of trainees was high due to good academic excellence. By 2024 the college emerged the 2nd best performed TVET College in the entire western region in KNEC exams. The college had also secured 100% pass in CDACC exams in the first CBET class in the field of Refrigeration and Air conditioning.

DROP OUT RATE PER YEAR SINCE COMMENCEMENT OF TRAINING AT THE COLLEGE

Table 1: Dropout Rate Per Academic Year

DROPOUT RATE PER ACADEMIC YEAR								
FY2021/2022			FY2022/2023			FY2023/2024		
MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
7	12	19	5	7	12	2	5	7

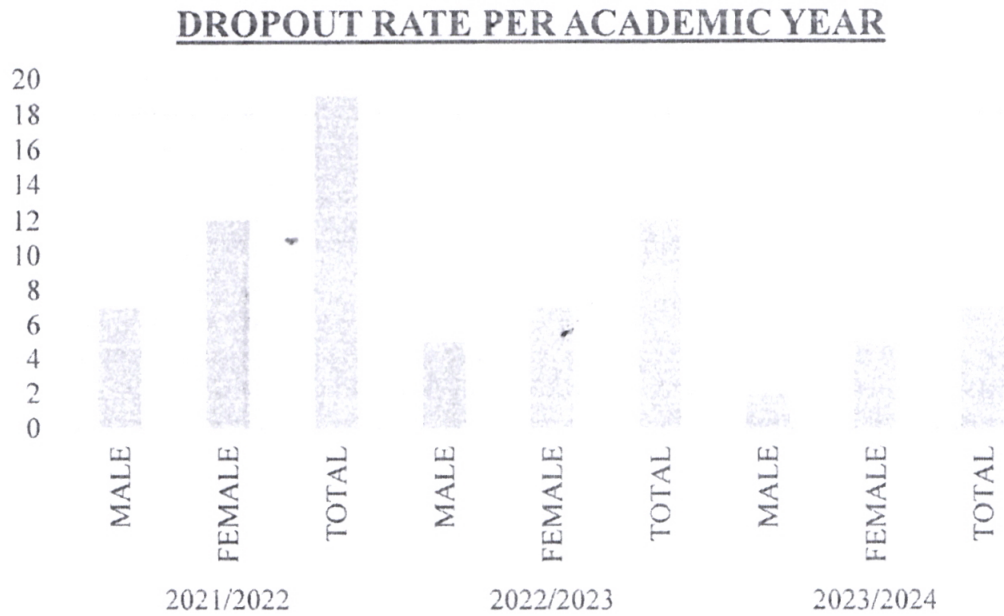


Figure 1: Dropout Rate Per Academic Year

Table 2: Factors Leading to Dropout

FACTOR LEADING TO DROPOUT (%)				
S/NO	FACTORS	FY2021/2022	FY2022/2023	FY2023/2024
1	Lack of exam fees and accommodation	45	40	25
2	Employments	10	8	10
3	Marriage	15	12	10
4	Transfer to other colleges	25	35	50
5	Tired of education	5	5	5

FACTORS LEADING TO DROPOUT

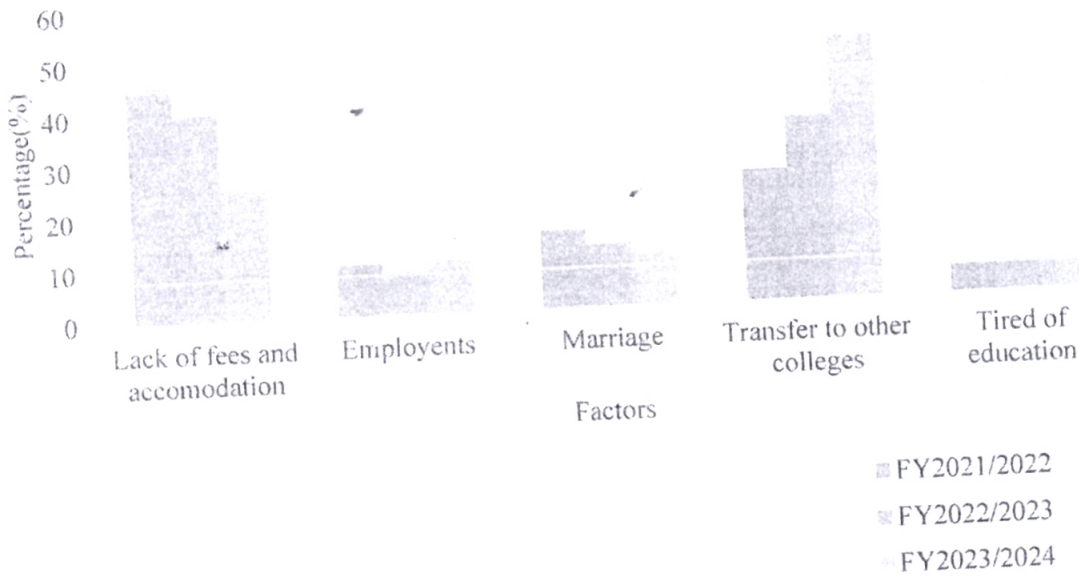


Figure 2: Factors Leading to Dropout

HELB loan to many is not viewed as a social loan. Some trainees still hold the myth that HELB loan application could lead to loss of family land. This explains dropout rate due to fees. More awareness created and introduction of the new funding model seems to demystify the scenario since HELB is indeed a social loan. Some trainees of the female gender quit due to family issues where husbands feel insecure over enhanced education of the wives. A few trainees got employment and may process to undertake online classes in future whereas apathy due to rigorous engagements during training makes some tired and pull out. All these factors are being adressed by the guidance and counselling department who are creating awareness and encouraging the affected lot to carry on with training. Heads of departments also try to reach out to the giving up trainees and the college has often reached out to the community through the local administration who step in to encourage the youth to focus on training till completion of their courses.

Graduation rate

Only artisan and craft certificate trainees had finished their course by June 30th 2024 but the college had not graduated any trainee because of negative cost-benefit analysis owing to lower enrolment. It is hoped that graduation will be held in the very near future as numbers expand.

Trainee employment

Pockets of trainees had secured employment notably one trainee of Motor Vehicle Mechanics who secured a job at the Wilson Airport and another one in Refrigeration and Air conditioning who got employed in a cold room in one of the Morgues in Busia County. Many more in secretarial studies got into formal employment

particularly in high schools around and wide whereas others engaged in self-employment in the informal sector.

Industry partnerships

We engaged in collaboration with Auki Distributeurs-a garment making enterprise in Namboboto area in Samia sub county.

Trainee satisfaction

We experienced repeat enrolment for those who concluded lower-level courses since they returned to enrol in higher level courses. This is attributed to good academic excellence as mentioned above.

Resource utilization.

Mungatsi TVC assessed this output through infrastructure, staff qualification, curriculum offered and training methods metrics.

Infrastructure

MTVCs enrolment continued to increase thereby rendering the only twin refrigeration workshop present to be rendered inadequate. This necessitated the College to construct a prefabricated 2 room workshop for the building department. This released stress on the available room slightly.

Staff qualification

MTVC staff is diverse in qualification ranging from craft to masters. Craft trainer was employed to handle artisan in beauty therapy while we had 2 trainers with Masters Degrees quite committed to work in Business department. This explains excellence in academic results.

Curriculum

We offered curriculum in KNEC, CBET, NITA and Kasneb.

Teaching method

Methodology in TVET is undergoing metamorphosis toward competency based and short courses. The College allowed staff to attend pedagogy at the Kenya school of TVET as to be able to deliver skills required effectively. The trainers who already possessed pedagogy were also given refresher CBA courses.

Stakeholder engagement

The aspect of stakeholder engagement is analysed through metrics of community engagement, industry engagement and trainee engagement.

Community engagement

We involved community in petty casual jobs like slashing the big compound. This explains the peaceful coexistence between us. MTVC also held stakeholder forum to celebrate result to which Parliamentary leader and MCAs were invited. We used this as a marketing strategy that earned the college increased enrolment by 200 trainees who were mobilized for us by the MP for Nambale and the MCA for Bukhayo East ward. All the other MCAs from Nambale attended.

Industry engagement

Mungatsi TVC partnered with West Kenya Sugar Factory (Olepito) where MTVC offered land to the company to plant sugarcane and the college maintains the crop. This explains the Kes. 145; 000 net cash that the college received from the first harvest.

Student engagement

MTVC embraces core-curricular activities. We participated in athletics, volleyball sports, TVET fair and Music festival at regional and National levels. Music festival overlapped the financial years. We also developed a culture of beauty contest and have witnessed trainees explore fields which would end up becoming professional for them. Former CS for Sports attended.

Mungatsi TVC's key projects or investments decision implemented or ongoing

No major projects were undertaken in the year ending June 2024.

Mungatsi TVC's compliance with statutory requirements

Mungatsi TVC observes the law in whatever they undertake. Compliance here explores the extent to which MTVC observed statutory compliance, corporate governance, key projects and investment decisions.

Compliance with statutory requirements

MTVC undertook inspection by public health officers and is a licenced institution and had over 20 courses licenced with regulators and examining bodies (TVETA, CDACC, KNEC, NITA). This is why our trainees continue to sit exams within the college without hiring space and facilities in other colleges for purposes of evaluation. However, during the financial year in question, 2 trainees were transported to take CDACC exams in Refrigeration and Air Conditioning from RIAT (Kisumu) in order to build a viable examinations center.

Major risks facing the organisation

- i. inadequate funding whose disbursement is delayed
- ii. shortage of skilled trainers
- iii. low enrolment
- iv. lack of industry experience
- v. negative perception on TVET qualifications
- vi. inaccessibility to foreign funding
- vii. inability of resources to conduct valuation of existing assets
- viii. aging default risk

Material arrears in statutory and other financial obligations

Due to low enrolment owing to newness of the college and limited financial resources, MTVC often faced material areas in statutory and other financial obligations making it command its mandate with great difficulties. The obligations include statutory payments like NSSF, NHIF, income tax and compliance with procurement and asset disposal regulations. A number of times we have delayed to remit the dues, charged fines, reminded unpolitely when past due dates. Other fees to TVETA and quality assurance, KUCCPs fee have weighed in on emotional stress of management.

10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile:

Mungatsi TVC is a public Mungatsi TVC and therefore receives funding from fees paid in by trainees and grants from the government. Therefore, the funds received are spent to provide services to present trainees while caring for the future generation. The equipment, tools, lecture rooms etc procured today will serve into the foreseeable future. Resources thus obtained need to be used prudently due to their scarcity.

Political environment is shaping up and what was viewed to flow from the central government is now devolved hence much as the government centrally administers capitation and helb funding, the NG-CDF and the county governments are gaining interest in TVET funding. Other partners like the KCB are also patronizing certain programs especially the Ajira program where they engage trainees with NITA courses to help operationalize transfer of technology and skills to the poorest of the poor. During the financial year, NITA programs were conducted and about 20 trainees come to take short courses in Food and beverage, garment making, masonry, and motor vehicle mechanics and they performed well in exams. However, one dropped out along the way. To this end, MTVC, while making projections and budgeting strives engage partners to attract funding from the above-mentioned stakeholders under the public private partnership (PPP) model. To supplement scarce resource funding, MTVC aims to undertake income generating units IGU to create more income for future expansion.

Environmental performance

MTVC hinges its environmentalism on the National environmental policy, 2013 of the republics of Kenya. The policy making process draws into the Sessional Paper No. 6 of 1999 entitled Environment and Development. The legislative process gave forth the Environmental Management and Coordination Act (EMCA) No. 8 of 1999 as Kenya's first framework environmental law. Both the Sessional Paper and the Act added to a large number of existing sectoral laws and policies on various facets of the environment such as water, forest and minerals. This has created a diffuse system of environmental laws and policies, some of whose provisions are not in harmony making them ill-suited to aid the pursuit of sustainable development objectives as set out in the Vision 2030. The promulgation of The Constitution of Kenya 2010 and other new developments like climate change marked an important chapter in Kenya's environmental policy development. Hailed as a 'Green' Constitution, it embodies elaborate provisions with considerable implications for sustainable development. These range from environmental principles and implications of Multilateral Environmental Agreements (MEAs) to the right to a clean and healthy environment as enshrined in the Bill of Rights. Chapter V is entirely dedicated to land and environment. It also embodies a host of social and economic rights which are of environmental character such as the right to water, food and shelter, among others.

It is the responsibility of the government through the ministry responsible for environmental issues to ensure that policies are reviewed and formulated to meet the

aspirations of the Constitution and emerging issues in the management of the environment for prosperity. Such a policy should aim at providing a holistic framework to guide the management of the environment and natural resources in Kenya. It should further ensure that environment is integrated in all government policies in order to facilitate and realise sustainable development at all levels. This would help promote green economy, enhance social inclusion, improve human welfare and create opportunities for employment and maintenance of a healthy ecosystem.

We at Mungatsi TVC support the National environmental policy through annual tree planting of atleast 1,000 seedlings. Our aim is to green the environment sustainably by planting trees to provide shed, fruits and moderate weather as well as implements the Presidential directive on enlargement of area under cover of trees in order to boost sequestration and environmental friendliness.

Employee welfare

Mungatsi TVC believes that hiring qualified individuals to fill positions contributes to the overall success of the college. Each employee is hired to make significant contributions to the college. In hiring the most qualified candidates for positions, the following process is followed.

Hiring, Environmental and Sustainability reporting statement

Sustainability strategy and profile

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Hiring process and personnel requisitions:

Personnel requisitions must be completed to fill positions declared vacant. Requisitions must be initiated by the department supervisor/manager, approved by the college principal and then forwarded to the human resource (HR) department whom currently is the Head of department for the respective department. This is then escalated to the human resource, education and training subcommittee of the board of governors that conducts interviews for hiring the personnel. Personnel requisitions should indicate the following: Position title, exempt or non-exempt status of the position.

Reason for the hiring.

Essential job functions and qualifications (or a current job description may be attached).

Any special recruitment advertising instructions.

Intake meetings

The principal will arrange a meeting with the hiring manager/HOD to conduct an intake meeting prior to posting a job opening to learn more about the position, the requirements and the profile of the ideal candidate. The recruiting strategy will be set during this meeting and expectations established with all the key stakeholders.

Internal applicants

Current employees with a satisfactory employment status may apply for internal job openings. The consents of the employee's manager and the HOD department may be necessary for employees with less than one year of service with the college.

All applicants for a posted vacancy will be considered based on their qualifications and ability to perform the job successfully. Internal candidates who are not selected will be notified by the Principal/HOD department.

Interview process

The Head of department and the hiring principal will screen applications and resumes prior to scheduling interviews. Initial interviews are generally conducted by the HR subcommittee department and the hiring manager using behavior-based interview questions and a structured interview process. Candidate evaluation forms will be completed after each interview and retained with the application.

The principal department will notify applicants who are not selected for positions at the MTVC/college. *Reference checks*

HR subcommittee will conduct professional reference checks and employment verification on the top candidates based on the results of the candidate evaluation forms completed by the interviewers. A minimum of three professional references are required from each candidate.

Job offers

After a decision has been made to hire a candidate, an offer will be made contingent on the satisfactory completion of required background checks and testing. Background checks will vary depending on the position and may include criminal history, credit history, driving record, drug testing or any other relevant information for the job.

Internal applicants must complete required background checks or tests not previously completed.

Once the HR subcommittee receives satisfactory results from all required background checks and tests, candidates will be provided with a final job offer. If a candidate fails to accept an offer of employment within 7 calendar days, the offer may be rescinded by the college.

The Importance of Meaningful Stakeholder Engagement to Mungatsi TVC

Mungatsi TVC operates on the premise that 'those groups who can affect or are affected by the achievements of a college's purpose' should be given the opportunity to comment and input into the development of decisions that affect us. We operate in a societal dispensation where if they are not actively sought out, sooner or later they may demand to be consulted.

Situations are envisaged where the college does not actively engage but are forced to do so by the demands of society as a result of a crisis situation. The college is bound to employ crisis- management techniques, and are often forced into a defensive dialogue with stakeholders in case problems arose, leading to a significant and long- lasting loss of reputation. This type of interaction is often antagonistic and damaging of trust.

Aware of the impending scenario, meaningful engagement occurs when college, aware of the changes in the wider society and how they relate to organisational performance, chooses to establish relations with stakeholders as a means to manage the impact of those changes, such as those created as a result of global economic downturn and social misgivings. MTVC will either seek to mitigate risk through the use of stakeholder management, or exploit these new trends to identify and establish new opportunities through the use of meaningful stakeholder engagement; the latter is characterised by a willingness to be open to change.

Occupational safety and health at the college

Mungatsi TVC integrates occupational safety and health (OSH) into the educational system as an essential aspect of the development of risk prevention culture. This allows everybody, trainers and trainees alike, to learn how to live and work in a safe and healthy environment. The educational staff must become aware of the risk factors in their working environment. They must also become acquainted with the legal regulations on safety and health at work in order to prevent accidents at the workplace. An educational institution must be a safe and healthy working environment for all the staff, trainees and other persons involved with it to make it suitable for the teaching and learning process.

Market place practices:

MTVC observes is in business and undertakes to offer superior value to its customers through:

Responsible competition practice-

Anti-corruption: The college strives to ensure that the best vetted firms are given a chance to transact business without arm-twisting the supplier or asking for kickbacks. The prices for items are those captured officially in the official contract documents.

Political involvement: The College encourages and adheres to non-partisan involvement with politicians always maintaining the rule of law while failing to ascribe to political patronage

Fair competition and respect for competitors-During procurement process, the college ensures strict adherence to sound procurement practices and guidelines. The college advertises widely and gives every applicant a chance to win.MTVC does not share supplier information with any third party unless given permission by the particular supplier.

Maintaining good business practices-MTVC strives to ensure that its procurement function is aligned with the broad priorities by objectively and legally collaborating with suppliers. The college ensures sound supplier relations, communicates clearly and consistently on the basis of equality and equity. The college strives to use the most appropriate and affordable technology to the suppliers. As much as is practical,

the college honours contractual obligations as described by law and in any case the financials are not good, the suppliers are informed early enough.

Ensuring ethical marketing practices-MTVC ensures transparency, honesty and credibility of and with the information it gives to customers. The college also ensures that the customer information is kept under key and lock. The college addresses customer complaints promptly and objectively and discourages its staff from giving unverified or exaggerated information so as to unfairly exploit consumer emotions.

Community Engagements:

MTVC has partnered with the community by forming a joint water resource management committee that will translate into a community-based organization.

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11. Report of the Council/Board of Governors

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the *Mungatsi TVC's* affairs.

Principal activities

The principal activities of the Mungatsi TVC are (continue to be) to provide adequate and appropriate skilled Artisans, Craftsmen, Technicians and Technologists at all levels of the economy through practical training and work experience;
Transfer technology continuously through collaborative approach between TVET institutions and the relevant industries;

Results

The results of the Mungatsi TVC for the year ended June 30 are set out on page 2 to 7.


Council/Board of Governors

The members of the Board /Council who served during the year are shown on page viii to xi. During the year the term of the 1st Board ended and a new one appointed by the Cabinet Secretary for Education. The new board assumed office on 26th April 2024.

Auditor

The Auditor General is responsible for the statutory audit of the *Mungatsi TVC* 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 *Mungatsi TVC* for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


.....
Secretary of the Board/Council
Nairobi
Date:

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

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

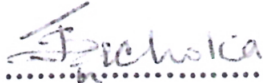
The Council members are responsible for the preparation and presentation of the *Mungatsi TVC's* financial statements, which give a true and fair view of the state of affairs of the *Mungatsi TVC* for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Mungatsi TVC*, (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 *Mungatsi TVC*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the *Mungatsi TVC'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. The council members are of the opinion that the *Mungatsi TVC's* financial statements give a true and fair view of the state of *Mungatsi TVC's* transactions during the financial year ended June 30, 2024, and of the *Mungatsi TVC's* financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the *Mungatsi TVC*, which have been relied upon in the preparation of the *Mungatsi TVC's* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The *Mungatsi TVC's* financial statements were approved by the Board on 12th August 2024 and signed on its behalf by:



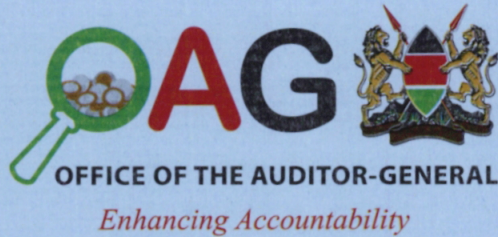
.....
Name **JUDITH ACHEKA**
Chairperson of the Board/Council



.....
Name **KENNETH A GOOL**
Accounting Officer/Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Mungatsi Technical and Vocational College set out on pages 2 to 46, which comprise the statement of financial

position as at 30 June, 2024 and the statement of financial performance, statement of changes net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Adverse Opinion

1. Inaccuracy of Net Assets Balance

The statement of financial position reflects net assets balance of Kshs.309,364,612 which includes accumulated surplus of Kshs.7,687,950 and capital fund balance of Kshs.301,676,662. However, the statement of changes in net assets reflects accumulated surplus balance of Kshs.322,325,562 and nil capital fund balance, resulting to unexplained variance of Kshs.12,960,950.

In the circumstances, the accuracy and completeness of net assets balance of Kshs.309,364,612 could not be confirmed.

2. Inaccuracy of the Statement of Cash Flows

The statement of cash flows reflects a cash and cash equivalents balance of Kshs.406,655. However, the statement reflects purchase of property plant and equipment amounting to Kshs.214,464 which has not been supported. In addition, the statement reflects net cash flows from operating activities of Kshs. 381,647 while Note 21 to the financial statements in respect to cash generated from operations reflects net cash flows from operating activities of Kshs. 22,593,010 resulting to unexplained variance of Kshs. 22,251,363.

In the circumstances, the accuracy of the statements of cashflows could not be confirmed.

3. Misstatement of Transfers from National Government Entities

The statement of financial performance and Note 5 to the financial statements reflect transfers from other government entities amounting to Kshs.41,093,361 which include unconditional grants revenue of Kshs.19,292,291 and conditional grants in respect to learning facilities of Kshs.21,801,070. However, the supporting ledgers for unconditional grants revenue reflect an amount of Kshs.21,090,103 resulting in a variance of Kshs.1,797,812 which has not been reconciled. In addition, conditional grants in respect

to learning facilities of Kshs.21,801,070 have not been supported by ledgers and commitment documents of receipts.

In the circumstances, the accuracy of transfers from National Government entities could not be confirmed.

4. Misstatement of Employee Costs

The statement of financial performance and Note 10 to the financial statements reflect employee costs amounting to Kshs.12,692,606. The costs include salaries and wages of Kshs.6,863,172 and travel and other allowances Kshs.5,116,874. However, the supporting schedules reflect amounts of Kshs.6,408,010 and Kshs.3,784,300 resulting in unexplained variances of Kshs.455,162 and Kshs.1,332,574 respectively.

In the circumstances, the accuracy of employee costs could not be confirmed.

5. Misstatement of Board Expenses

The statement of financial performance and Note 11 to the financial statements reflect Board expenses amounting to Kshs.1,558,283 which include directors' emoluments amounting to Kshs.1,396,283. However, the supporting ledger reflects a balance of Kshs.407,700 resulting to unexplained variance of Kshs.988,583.

In the circumstances, the accuracy of board expenses could not be confirmed.

6. Misstatement of Cash and Cash Equivalents Balance

The statement of financial position reflects an amount of Kshs.406,665 in respect to cash and cash equivalents and as disclosed in Note 14 to the financial statements. However, the cash book indicates a balance of Kshs.438,021 resulting to an unexplained and unreconciled variance of Kshs.31,356, the statement reflects net cash flows from operating activities of Kshs.381,647, while Note 21 to the financial statements in respect to cash generated from operations indicates net cash flows from operating activities of Kshs.22,593,010, resulting to unexplained variance of Kshs. 22,251,363.

In the circumstances, the accuracy of cash and cash equivalents balance could not be confirmed.

7. Misstatement of Trade and Other Payables Balance

The statement of financial position reflects trade and other payables balance of Kshs.4,352,117 as disclosed in Note 18 to the financial statements. However, the payables ledger provided for audit review indicates a balance of Kshs.3,351,164 resulting in an unexplained and unreconciled variance of Kshs.1,000,953.

In the circumstances, the accuracy and completeness of trade and other payables could not be confirmed.

8. Unsupported Rendering of Services – Fees from Students

The statement of financial performance and Note 6 to the financial statements reflect rendering of services revenue amounting to Kshs.4,764,577 which includes accrued fees

of Kshs.3,184,315. However, the accrued fees were not supported by any accountable document.

In the circumstances, the accuracy and validity of rendering of services - accrued fees could not be confirmed.

9. Unsupported Current Portion of Receivables from Exchange Transactions

The statement of financial position and in Note 15 to the financial statements reflects receivables from exchange transactions balance of Kshs.3,184,315. However, the supporting general ledgers were not provided for audit review.

In the circumstances, the accuracy and validity of current portion of receivables from exchange transactions could not be confirmed.

10. Unsupported Inventory Balance

The statement of financial position and Note 16 to the financial statements reflects inventory balance of Kshs.486,242. However, the stock ledger cards were not provided to support the balance. Further, the annual stock-take or Board of survey exercise was not conducted as at 30 June, 2024 to confirm the existence of the balance.

In the circumstances, the accuracy and validity of inventory balance could not be confirmed.

11. Incorrect Disclosure on Valuation of Assets

Note 17 to the financial statements in respect to valuation of property, plant and equipment indicates that the College land and buildings were valued as per the National Liabilities and Management Policy Guidelines, 2020. However, the property, plant and equipment movement schedule disclosed in the financial statements indicate that the assets were not valued during the year under review making the disclosure inaccurate.

In the circumstances, the reliability of the disclosure on valuation of assets could not be confirmed.

12. Misstatement of Comparative Balances

The statement of financial performance and Note 5 to the financial statements reflects transfers from other national government entities comparative amount of Kshs.29,389,670. However, the amount differs with Kshs.29,476,270 disclosed in previous financial year audited financial statements by an unexplained variance of Kshs.86,600.

Further, the statement of changes in net assets reflects a comparative balance of Kshs.322,350,506 in respect to the net assets, which differs with Kshs.331,375,926 disclosed in the previous year audited financial statements resulting to an unreconciled variance of Kshs.9,025,420.

In the circumstances, the accuracy and completeness of the respective comparative balances could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis amounts of Kshs.28,500,000 and Kshs.24,056,868 respectively resulting to under-funding of Kshs.4,443,132 or 16% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the previous year audit, several issues were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. The Management has indicated in Appendix I to the financial statements on implementation status of Auditor-General's recommendations that the issues are either resolved or not resolved. However, documentary evidence for resolved issues were not provided for audit verification.

In the circumstances, the issues remain unresolved

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Frequency of Board Meetings Held

During the year under review, the Board held only one meeting on 12 September, 2023. This was contrary to circular No. OP/CAB.9/1A dated 11 March, 2020 on Management of State Corporations that requires the board meetings to be restricted to a minimum of four (4) and capped to a maximum of six for each financial year or as may be specified in the respective enabling legal instrument.

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

2. Failure to Maintain a Properly Updated Noncurrent Assets Register

Review of the College's noncurrent assets register revealed that the register lacked key details including dates of acquisition, suppliers, assets descriptions, costs, accumulated depreciation, depreciation for the year, net book values, location and condition of the assets. This was contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

3. Non-Compliance with Law on Staff Ethnic Diversity

Review of payroll for the month of June, 2024 revealed that out of the total thirty-nine (39) employees and seven (7) Board members, thirty-three (33) or 72% were from the

dominant community contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community.

In the circumstances, Management was in breach of the law

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the College did not have an internal audit function. In the circumstances, the roles stipulated in Section 73 (3) of the Public Finance Management Act, 2012 which include reviewing the governance mechanisms of the entity and mechanisms for transparency and accountability with regard to the finances and assets of the entity, conducting risk-based, value-for-money and systems audits aimed at strengthening internal control mechanisms that could have an impact on achievement of the strategic objectives of the entity, verifying the existence of assets administered by the entity and ensuring that there are proper safeguards for their protection and providing assurance that appropriate institutional policies and procedures and good business practices are followed by the entity were not performed. Further, audit committee of the Board had not been established.

In the circumstances, the effectiveness of the College's internal controls and governance could not be confirmed.

2. Lack of Internal Controls on Information and Communication Technology

Verification of documents provided for audit revealed that the College does not have an approved policy on Information and Communications Technology (ICT) and a Disaster Recovery Plan. Further, there was no ICT Steering Committee for implementation of ICT governance to safeguard its assets and there was no ICT Strategic Plan. In addition, the

college relies on manual system for record keeping with no accounting system to help in generating reports.

In the circumstances, the College is prone to possible loss of critical data and information in case of a disaster.

3. Lack of an Approved Staff Establishment

The statement of financial performance reflects an amount Kshs. 12,692,606 in respect of employee costs. However, audit verification carried out revealed that the College did not have an approved staff establishment during the year, and therefore the optimal staffing levels for all cadres of staff had not been established.

In the circumstances, the effectiveness of existing Human Resource Management Processes could not be confirmed.

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

Responsibilities of the Management and the Board of Governors

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

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

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

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

The College Board is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems

are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAI'S will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


12 June, 2025

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024


14. Statement of Financial Performance For The Year Ended 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-Exchange transactions			
Transfers from other National Government entities	5	41,093,361.05	29,389,670
		41,093,361.05	29,389,670
Revenue from Exchange transactions			
Rendering of services- fees from students	6	4,764,577	4,595,848
Sale of goods	7	145,203	-
Service income	8	787,500	-
Total Revenue		46,790,641.05	34,072,118
Expenses			
Use of goods and services	9	12,833,998.65	4,762,838
Employee costs	10	12,692,606	5,696,120
Board /Council Expenses	11	1,558,283	858700
Depreciation and amortization expense	12	19,190,100	19,221,608
Contracted services	13	480,000	480,000
Bank charges	22	28,356	15,062
Provision for bad and doubtful debts	20	31,843.15	-
Total Expenses		46,815,584.80	31,034,328
Net surplus/(deficit) for the year		(24,943.75)	3,037,790

The Financial Statements set out on page 2-7 were signed by:



 Chairman of Council/Board



 Principal



 Finance Officer

Date 06/06/25.

Date 06/06/2025

ICPAK No 27909
 Date 07-06-2025

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

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

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	406,665.45	239,472
Current portion of receivables from exchange transactions	15	3,184,315	3,205,739
Inventories	16	486,242	34,960
Total Current Assets		4,077,222.45	3,480,171
Non-Current Assets			
Property, plant, and equipment	17	309,671,350	328,861,400
Total Non-Current Assets		309,671,350	328,861,400
Total Assets (A)		313,748,572.40	332,341,571
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	18	4,352,117	900,849
Refundable deposits from customers	19	40,300	64,800
Current provisions	20	31,843.15	-
Total Current Liabilities		4,424,260.15	965,649
Non-Current Liabilities			
Total non- current liabilities		4,424,260.15	965,649
Total Liabilities (B)		4,424,260.15	965,649
Net Assets (A-B)		309,324,312.30	331,375,922
Represented By:			
Revaluation Reserves		-	-
Accumulated Surplus		7,687,950	7,687,950
Capital Fund		301,676,662.30	323,687,972
Net Assets		309,364,612.30	331,375,922

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

The Financial Statements set out on pages 2-7 were signed by:


.....

Chairman of Council/Board

Date 06/06/25.


.....

Principal

Date 06/06/2025


.....

Finance Officer

ICPAK No 27909

Date 07.06.2025

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

16.Statement of Changes in Net Asset For The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	-	317,700,346	-	317,700,346
Revaluation gain		-	-	-
Surplus/(deficit) for the year	-	4,650,160	-	4,650,160
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	-	322,350,506	-	322,350,506
At July 1, 2023		322,350,506		322,350,506
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(24,943.75)	-	(24,943.75)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	-	322,325,562.25	-	322,325,562.25

Note:

1. For items that are not common in the financial statements, the Mungatsi TVC 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).

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

17.Statement of Cash Flows For The Year Ended 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	5	19,292,291.05	7,675,200
Rendering of services- fees from students	6	4,764,577	4,595,848
Sale of goods	7	145,203	-
Miscellaneous income	8	787,500	-
Total Receipts		24,989,571.05	12,271,048
Payments			
Use of goods and services	9	12,833,988.65	4,762,838
Employee costs	10	12,692,606	5,696,120
Board /Council Expenses	11	1,558,283	858,700
Repairs and maintenance	12	11,600	-
Contracted services	13	480,000	480,000
Bank charges	20	28,356	15,062
Total Payments		27,604,833.65	11,812,720
Decrease in receivables		21,424	-
Increase in inventory		(451,282)	-
Increase in creditors		3,451,268	-
Decrease in refundable deposits		(24,500)	
Net cashflow from operating activities		381,647.40	458,328
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(214,463.95)	(624,354)
Proceeds from sale of property, plant and equipment		-	
Net cash flows used in investing activities		-	
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	
Net Increase/(Decrease) in Cash and Cash equivalents		167,183.45	166,026
Cash and Cash equivalents at 1 JULY 2023	14	239,472	405,498
Cash and Cash equivalents at 30 JUNE 2024	14	406,655.45	239,472

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

18.Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	24,010,970	-	24,010,970	19,292,291.05	(4,718,678.95)	19.65%
Rendering of services- fees from students	4,189,030	-	4,189,030	4,764,577	575,547	13.74%
Tender adjudication	100,000	-	100,000	-	(100,000)	100%
Production units	200,000	-	200,000	932,703	732,703	366.52%
Total Income	28,500,000	-	28,500,000	24,056,868	4,443,132	15.59%
Expenses		-				
Use of goods and services	6,402,000	-	6,402,000	12,833,988.65	(6,431,988.65)	100.47%
Employee costs	11,000,000	-	11,000,000	7,575,732	3,424,268	31.13%
Board /Council Expenses	800,000	-	800,000	1,558,283	(758,283)	94.79%
Contracted services	200,000	-	200,000	480,000	(280,000)	%
Local travel	6,834,790	-	6,834,790	5,116,874	1,717,916	25.13%
Capital expenditure	3,263,970	-	3,263,970	0	(3,263,970)	100%
Total Expenditure	28,500,000	-	28,500,000	27,564,877.65	935,122.35	3.28%

- 1.The expected amount transfer from National Government had a deviation of -4,718,678.95. This was due to reduction of number of students expected to be received.
- 2.Rendering of services- fees from students increased from expected shs 4,189,030 to 4,764,577, with the increase of shs 575,547

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2024

3. Tender adjudication did not attract any amount. This was because there was no tender awarded during the year. 4. Production units increased by 732,703 which was a surplus to the institution.

5. There was increase in use of goods and services expenditure by 100.47%. The increase was due to more practical materials bought, increase in price of commodities, Payments of examination materials.

6. Employees costs reduced by 31.13%. This was due to some Trainer on board were employed by Government.

7. Board expenses increased by shs758,268. This was due to induction seminar held to new board during the year.

8. Contracted services were underbudgeted hence shs 280,000 was overspend.

9. Local travel expenses reduced by 1,717,916 during the year leading to under absorption by 25.13%

10. There was no capital expenditures during the year.

19. Notes to the Financial Statements

1. General Information

Mungatsi TVC is established by and derives its authority and accountability from TVET Act.

The Mungatsi TVC is wholly owned by the Government of Kenya and is domiciled in Kenya.

The Mungatsi TVC's principal activity is To offer Quality and Relevant programmes and undertake delivery of technical skills that produce high-end TVET graduates as to achieve vision 2030

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 judgment in the process of applying the *Mungatsi TVC's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 9. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Mungatsi TVC*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

2. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Mungatsi TVC. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.

	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Mungatsi TVC shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii. Early adoption of standards

(The Mungatsi TVC) did not early adopt any new or amended standards in year 2024./the Mungatsi TVC adopted standard IPSAS 45.The impact of these standards on Mungatsi TVC’s financial statements is on page 10.

3. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Mungatsi TVC and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Mungatsi TVC 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 Mungatsi TVC.

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on **9.09.2023**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Mungatsi TVC upon receiving the respective approvals to conclude the final budget. Accordingly, the Mungatsi TVC recorded additional appropriations of on the FY 2023/2024 budget following the Council/Board's approval. The Mungatsi TVC's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **xx** under section **xxx** of these financial statements.

c) Taxes

Current income tax

The Mungatsi TVC is exempt from paying taxes as per schedule *of* the *income tax* Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an 100-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (Mungatsi TVC to amend appropriately).* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Mungatsi TVC 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 Mungatsi TVC. 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 Mungatsi TVC also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Mungatsi TVC 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 Mungatsi TVC. 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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

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

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

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

i) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

k) Provisions

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

l) Social Benefits

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

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The *Mungatsi TVC* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Mungatsi TVC pays fixed contributions into a separate Mungatsi TVC (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

p) Foreign currency transactions

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

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

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

s) Service concession arrangements

The *Mungatsi TVC* 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 *Mungatsi TVC* 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 *Mungatsi TVC* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Mungatsi TVC'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 Mungatsi TVC 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 Mungatsi TVC. 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 *Mungatsi TVC*.
- 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 21.

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.

5. Transfers from other National Government entities

Description	2023-2024	2022-23
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	7,121,925	3,230,000
HELB	5,641,356.25	2,188,200
Operational grant	1,000,000	1,500,00
CDF-bursary	2,290,500	757,000
Scholarship	3,238,509.80	
Total unconditional Grants	19,292,291.05	7,675,200
Conditional Grants amortised/ recognised in revenue		
Learning Facilities Grant	21,801,070	21,801,070
Total Government Grants and Subsidies	41,093,361.05	29,389,670

6. Rendering of Services

Description	2023-2024 Kshs	2022-2023 Kshs
Tuition Fees	784,983	414,165
Personal emolument	18,500	124,950
Activity Fees	1000	29,580
Local travel	10800	15,030
Repair and maintenance	7870	36,050
medical	4290	22,970
Electricity and water	1200	24,970
Library fee	500	8,300
contingencies	350	13,215
Students' council	-	26,130
Industrial Attachment Fees	-	27,240
Development	2,000	-
Students' insurance	-	5,390
Registration	159,400	198,150
Caution money	40,300	64,800
Students ID	35,600	99,230
Examination Fees	435,069	171,320
Library Fees	-	8300
Computer	78,400	108,599
Others (owing fees)	3,184,315	3,205,759
Total Revenue from The Rendering of Services	4,764,577	4,595,848

(This represents fees directly collected from students, its cash received from students within this financial year)

7. Sale of Goods

Description	2023-2024 Kshs	2022-2023 Kshs
Sale of Farm Produce	145,203	-
Total Revenue from Sale of Goods	145,203	-

(This is revenue generated out of sale of sugarcane to west Kenya sugar company)

8. Miscellaneous Income

Description	2023-2024	2022-2023
	Kshs	Kshs
Services concession income	787,500	-
Total other income	787,500	-

This is revenue generated out of offering short course to students sponsored by NGO-SHOFCO.

9. Use of Goods and Services

Description	Insert Current FY Kshs	Insert Comparative FY Kshs
Teaching and learning materials/Tuition	2,388,020	-
Electricity	116,747	248,718
Water	13,300	-
Subscriptions	11,200	152,000
Advertising	194,560	26,600
Examination fees	5,020,254.80	1,889,379
Students Insurance	16,500	60,200
Postage	7725	7725
Printing and stationery	612,454	717,870
Telephone expenses/Airtime	26,000	-
Students' council	384,795	215,750
consumables	1,783,408.85	1,018,956
Registration	106,800	-
Sports	612,850	166,650
Production units' expense	750,894	31,600
Cleaning material	27,000	201,690
Pc allowance	43,800	25,700
Administration	706,090	
Repair and maintenance	11,600	
Total good and services	12,833,998.65	4,762,838

10. Employee Costs

Description	2023-2024 Kshs	2022-2023 Kshs
Salaries and wages	6,863,172	3,446,270
NSSF	515,760	336,800
NHIF	196,800	83,800
Travel, motor car, accommodation, subsistence and other allowances	5,116,874	2,059,120
Employee Costs	12,692,606	5,696,120

11. Board/Council Expenses

Description	2023-2024 Kshs	2022-2023 Kshs
Chairman's Honoraria	162,000	136,000
Directors Emoluments	1,396,283	722,700
Total	1,558,283	858,700

12. Depreciation and Amortization expense

Description	2023-2024 Kshs	2022-2023 Kshs
Property, plant and equipment	19,190,100	19,221,608
Total depreciation and amortization	19,190,100	19,221,608

13. Contracted Services

Description	2023-2024 Kshs	2022-2023 Kshs
WAPE SECURITY	480,000	480,000
Total contracted services	480,000	480,000

14. Cash and Cash Equivalents

Description	2023-2024 Kshs	2022-2023 Kshs
Current Account	406,665.45	239,472
Total Cash and Cash Equivalents	406,665.45	239,472

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

Financial Institution	Account number	2023-2024 Kshs	2022-2023 Kshs
a) Current Account			
Kenya Commercial Bank	1273839846	406,665.45	239,472
Grand Total		406,665.45	239,472

15. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	2023-2024 Kshs	2022-2023 Kshs
Current Receivables		
Student Debtors	3,184,315	3,205,739
Total Current Receivables	3,184,315	3,205,739

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of the tot
Less than 1 year	3,184,315	100%	3,205,739	100%
Total	3,184,315	100%	3,205,739	100%

16. Inventories

Description	2023-2024	2022-2023
	Ksh	Kshs
Consumable stores	486,242	34,960
Total Inventories at lower of Cost and Net Realizable Value	486,242	34,960

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

17. Property, Plant and Equipment

	Land and Buildings Ksps	Buildings and Business Assets Ksps	Computer and Software Assets Ksps	Plant and Equipment Ksps	Other Assets Ksps	Total Ksps
At 1 July 2022	7,600,000	2,362,400	869,300	300,000,000	94,525	386,780,925
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 30 th June 2023	7,600,000	2,362,400	869,300	300,000,000	94,525	386,780,925
1 st JULY 2023	7,600,000	2,362,400	869,300	300,000,000	94,525	386,780,925
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
At 30 th June 2024	7,600,000	2,362,400	869,300	300,000,000	94,525	386,780,925
Depreciation , impairment						
At 30th June 2022	7,560,000	472,480	347,720	30,000,000	63,016	38,443,216
As at July 2022	7,560,000	472,480	347,720	30,000,000	63,016	38,443,216
Depreciation	-	236,240	173,860	15,000,000	31,508	19,221,608
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30th Jun 2023	11,340,000	708,720	521,580	45,000,000	94,525	57,664,825
At 30 th July 2023	11,340,000	708,720	521,580	45,000,000	94,525	57,664,825
Depreciation	-	236,240	173,860	15,000,000	000	19,190,000
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30 th Jun 2024- (accumulated)	-	(944,960)	(695,440)	(60,000,000)	(94,525)	(76,854,825)

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and equipment	Other Assets (utensils)	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Net Book Values							
At 30 th Jun 2023	7,600,000	64,260,000	1,653,630	347,720	255,000,000	000	328,861,350
At 30 th Jun 2024	7,600,000	60,480,000	1,417,390	173,860	240,000,000	000	309,671,350

Building are depreciated at the rate of 5%, furniture and fittings at 10%, computers 20%, utensils amortized over useful life of 3 years, plant and equipment at 5%. straight line basis.

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).

32 (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	NBV
	Kshs	Depreciation Kshs	Kshs
Land	7,600,000	-	7,600,000
Buildings	75,600,000	15,120,000	60,480,000
Plant And Machinery	300,000,000	60,000,000	240,000,000
Computers and Related Equipment	869,300	695,440	173,860
Office Equipment, Furniture, And Fittings	2,362,400	944,960	1,417,440
Utensils	94,525	94,525	000
Total	386,526,225	76,854,925	309,671,300

18. Trade and Other Payables

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade payables	3,184,315		900,849	
			-	
			-	
			-	
Total Trade and Other Payables	4,353,117		900,849	
Ageing analysis:	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	4,353,117	100%	900,849	100
Total (to tie to totals above)	4,353,117	100%	900,849	100

19. Refundable Deposits from Customers/Students

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Caution money	40,300		64,800	
Total Deposits	40,300		64,800	
Ageing analysis:	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	40,300	100%	64,800	100%
Total (to tie to totals deposits above)	40,300	%	64,800	100%

20. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Provision for bad debts	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year	000	000	000	000	000
Additional Provisions	000	000	000	31,843.15	31,843.15
Total Provisions	000	000	000	31,843.15	31,843.15

Retirement benefit Asset/ Liability

The Mungatsi TVC operates a defined benefit scheme for all full-time employees from July 1, 2023. The scheme is administered by SHA while state are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at 30 th June 2024 by SHA actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

The Mungatsi TVC also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Mungatsi TVC's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 600 per employee per month.

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

21. Cash generated from operations.

Surplus for the year before tax	2023-2024 Kshs	2022-2023 Kshs
Adjusted for:		
Depreciation	19,190,100	19,221,608
Working Capital Adjustments		
Increase in Inventory	(45,282)	-
Decrease in Receivables	21,424	-
Increase in Payables	3,451,268	-
Decrease in refundable	(24,500)	-
Net Cash Flow from Operating Activities	22,593,010	19,221,608

22. Bank charges

Description	2023-2024 Ksh	2022-2023 Kshs
Bank charges	28,356	15,062

23. Financial Risk Management

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

(i) Credit risk

The Mungatsi TVC 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

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

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 Mungatsi TVC's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	4,595,848	4,595,848	000	000
Receivables from non-exchange transactions	29,389,670	29,389,670	000	000
Bank balances	239,474	239,474	000	000
Total	34,224,992	34,224,992	000	000
At 30 June 2024				
Receivables from exchange transactions	5,697,307	5,697,307	000	000
Receivables from non-exchange transactions	41,093,311.05	41,093,311.05	000	000
Bank balances	406,665.45	406,665.45	000	000
Total	47,197,283.5	47,197,283.50	000	000

Financial risk management (continued)

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

The Mungatsi TVC has no significant concentration of credit risk on amounts due.

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

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
 Annual Report and Financial Statements for the year ended 30th June 2024

disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 3 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables			900,849	900,849
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
Total			900,849	900,849
At 30 June 2024.				
Trade Payables			4,352,117	4,352,117
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
Total			4,352,117	4,352,117

(iii) Market risk

The Mungatsi TVC has put in place an internal audit function to assist it in assessing the risk faced by the Mungatsi TVC 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 Mungatsi TVC'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 Mungatsi TVC'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 Mungatsi TVC's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Mungatsi TVC has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the Mungatsi TVC's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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

Foreign currency sensitivity analysis

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Mungatsi TVC 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.

iv) Capital Risk Management

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation Reserve	000	000
Retained Earnings	(24,943.75)	3,037,790
Capital Reserve	301,676,662.30	344,609,904
Total Funds	301,651,718.60	347,647,694
Total Borrowings	000	000
Less: Cash and Bank Balances	406,665.45	239,472
Net Debt/(Excess Cash and Cash Equivalents)	301,245,053.20	323,536,454

24. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	000	000
Rent income from govt. agencies	000	000
Water sales to govt. agencies	000	000
Others (<i>specify</i>)	00	000
Total	000	000
B) Purchases from related parties		
Purchases of electricity from kplc	000	000
Purchase of water from govt service providers	000	000
Rent expenses paid to govt agencies	000	000
Training and conference fees paid to govt. agencies	000	000
Others (<i>specify</i>)	000	000
Total	000	000
b) Grants /Transfers from the Government		
Grants from National Govt	1,000,000	1,500,000
Grants from County Government	000	000
Donations in Kind	000	000
Total	1,000,000	1,500,000
c) Expenses incurred on behalf of related parties		

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Description	2023-2024	2022-2023
	Kshs	Kshs
Payments of Salaries and Wages for Employees	12,692,606	5,696,120
Payments for Goods and Services for 2024	12,833,998.65	4,762,838
Total		
d) Key Management Compensation		
Directors' emoluments	1,558,283	858,700
Compensation to Key Management	000	000
Total	28,084,887.65	12,817,658

25. Events After The Reporting Period

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

26. Ultimate And Holding Mungatsi TVC

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

27. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue resolved)
1	<p>Unsupported Property, Plant and Equipment Balance</p> <p>The statement of financial position and as disclosed in Note 19 to the financial statements reflects property, plant and equipment balance of Kshs.328, 861,400. The balance includes land, and plant and equipment valued at Kshs.73, 800,000 and Kshs.255, 000,000 respectively. However, ownership documents for the land and valuation reports for land, and plant and equipment were not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.328, 861,400 could not be confirmed.</p>	<p>Land Titles availed for audit. Title for one piece to be processed</p> <p>Revaluation to be conducted when funds are available</p>	<p>Resolved</p> <p>Not resolved</p>	<p>6month</p> <p>2years.</p>
2	<p>. Unconfirmed Capital Fund Balance</p> <p>The statement of changes in net assets reflects capital fund balance of Kshs.323, 687,972 as at 30 June, 2023. However, the statement reflects an opening balance of Kshs.342, 909,580 as at 1 July, 2022 while the audited financial statements for the year ended 30 June, 2022 reflected a closing balance of Kshs.335, 959,744. The variance of Kshs.2, 646,836 has not been explained or reconciled. Further, comparative</p>	<p>Corrected in the new revised financial statement</p>	<p>Resolved</p>	<p>6months</p>

Reference No. of the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when expect the issue resolved)
	<p>statement of changes in net assets for the year ended 30 June, 2022 was omitted in the financial statements contrary to the requirements of the Public Sector Accounting Standards Board reporting template.</p> <p>In the circumstances, the accuracy and completeness of capital fund balance of Kshs.323, 687,972 as at 30 June, 2023 could not be confirmed</p>			
3	<p>Unconfirmed Cash and Cash Equivalents Balance</p> <p>The statement of financial position reflects cash and cash equivalents balance of Kshs.239, 472 and as disclosed in Note 16 to the financial statements. The bank reconciliation statement for the month of June, 2023 indicates unrepresented cheques totaling Kshs.527, 871. However, the unrepresented cheques totaling Kshs.527, 871 were stale as at 30 June, 2023 and had not been reversed in the cash book.</p> <p>In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.239, 472 could not be confirmed</p>	Reversed to the cashbook	Resolved	6month
4	<p>Unconfirmed Inventories Balance</p> <p>The statement of financial position reflects inventories balance of Kshs.34,960. However, stock take report as at 30 June, 2023 was not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of inventories balance of Kshs.34,960 could not be confirmed.</p>	Stock audits to be conducted after every 3month	resolved	6month

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeline (Put a date you expect the issue resolved)
2	<p>Failure to Observe Ethnic Balance on Staff Composition</p> <p>Analysis of the payroll and staff list provided for audit review revealed that during the year under review. The college had a total of 33 employees. However, 26 of them or 79 % of them hailed from the dominant ethnic community contrary to Section 7(2) of the National Cohesion and Integration Act of Kenya which requires public establishments to provide equal opportunities for appointment, training, and advancement to all ethnic groups.</p> <p>In the circumstances, Management was in breach of the law.</p>	Any new recruitment the act will be observed.	Not resolved	During new recruitments.
3	<p>Failure to deduct and remit Pay As You Earn (PAYE)</p> <p>The statement of financial performance and Note 10 to the financial statements reflects expenditure on staff costs totaling Kshs. 5,696,120. Review of payroll records revealed that, as at 30 June, 2023, Mungatsi Technical and Vocational College did not deduct nor remit (PAYE) from employees' salaries. This was contrary to the provisions of section 37(1) of the income Tax Act(CAP470)</p> <p>In the circumstances, Management was in breach of the law.</p>	Deductions to be deducted	resolved	immediately

Reference No. in the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when expect the issue resolved)
	<p>The audit was conducted in accordance with ISSAIs 3000 and 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion</p>			
1	<p>Anomalies in the Presentations and Disclosure of Annual Report and Financial statements</p> <p>Review of the annual report and financial statements revealed the following anomalies.</p> <ul style="list-style-type: none"> i. Unsigned report of internal auditor is erroneously included in the annual report and financial statements ii The name of college is omitted in the header for the statement of financial performance iii. The table of content is incomplete iv. The name of the college is omitted in the header from page xix to xxxvi v. The statement of financial position indicates property, plant and 	<p>Corrections done</p>	<p>Resolved</p>	<p>Immediately</p>

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timely (Put a date expect the resolution)
	<p>equipment's balance of shs 328,861,400 under Note 20 to the financial statements instead Note 19 to the financial statements.</p> <p>In the circumstances, the annual report and financial statements do not comply with the reporting template prescribed by the public sector Accounting standards Board.</p>			

Guidance Notes:

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

Kenneth Agoi
.....

Name
Accounting Officer
(KENNETH AGOI)
Date

Appendix II: Projects Implemented by (Mungatsi TVC)

Projects

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

Project Title	Project Number	Donor	Period Duration	Donor Commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidate these financial statements (Yes/No)
	0	0	0	0	0	0
	0	0	0	0	0	0

Status of Projects completion

Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is at.

Quarter	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Source
1	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
 Annual Report and Financial Statements for the year ended 30th June 2024

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity.....STATE DEPARTMENT

Name of beneficiary entity.....MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE

Confirmation of amounts received by [MUNGATSI TECH&VOCATIONAL COLLEGE] as at 30th June (C.F.Y)

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	20.JULY.2023	500,000	-	500,000	received
	27.12.2023	500,000	-	500,000	received
	15.01.2024	1,085,000	-	1085000	received
	20.01.2024	2,300,000	-	2,300,000	received
	18.3.2024	1,724,425	-	1,724,425	received
	12.04.2024	2,012,500	-	2,012,500	received
	20.06.2024	3,238,510	-	3,238,510	received
TOTAL		11,360,435		11,360,435	

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name *James Opiyo* Sign *[Signature]* Date *07.06.2025*

