


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 03 JUN 2025	DAY.
TABLED BY:	DEPUTY LEADER OF THE MAJORITY PARTY
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PARLIAMENT
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THE AUDITOR-GENERAL

ON

**KIPSOEN TECHNICAL AND VOCATIONAL
COLLEGE**

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

ELGEYO-MARAKWET COUNTY



KIPSOEN 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)



Kipsoen Technical & Vocational College
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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
KTVC	Kipsoen Technical Vocational College

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Kipsoen Technical and Vocational College Iten was incorporated/established under the TVET Act, 2013 Act on 11th April, 2018 (Ref: TVETA/PUBLIC/TVC/010/2018). The entity is domiciled in Kenya. The institute is under the Ministry of Education.

KTVC-Iten academic activities are grouped in two namely: department of Engineering which constitutes Mechatronics Technician, Electrical & Electronics, Civil, Building & Technology, Welding & Fabrication, Plumbing and Carpentry and department of ICT/Business which constitutes Agriculture, Fashion & Design, Secretarial, Information Studies and Accountancy

(b) Principal Activities

The core mandate of KTVC - Iten is to promote advancement of education and development in the region and the country at large through technical and vocational training, research, innovation and community service.

The vision of the college is “A leading institution in the Provision of Technical Skills Training and Entrepreneurship”.

Its mission is: “To impart quality technical skills through education, training and practical knowledge for self-reliance and economic empowerment in partnership with stakeholders”.

Core values of KTVC -Iten are: Integrity, teamwork, professionalism, accountability, inclusivity and health and safety.

The Objectives of Kipsoen Technical and Vocational and College - Iten are as follows:

- i. To provide, a competent, dependable, innovative and creative human resource.
- ii. To impart applied knowledge to trainees in order to gain entrepreneurial and problem-solving skills in the world of work;
- iii. To expand and upgrade the Institute’s infrastructure and equipment;
- iv. To collaborate with Institutions and the community in providing extension services and solutions to emerging issues;
- v. To promote trainee welfare and maintain co-curricular facilities for training and wellness.

(c) Key Management

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

- Board of Governors
- Management team
- Accounting officer/ Principal

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(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Bitok K. Joseph
2.	Deputy principal-Administration	Karen Jelimo Kogo
3.	Deputy principal Academics	Maurice K. Chemitei
4.	Registrar (s)	Erick K Tanui
5.	Dean of students	Jeremiah Kibet Yator
6.	Head of Finance	Jonathan K. Yator
7.	Procurement	Absolom Biwott Komen

(e) Fiduciary Oversight Arrangements

Audit and Risk committee

Members of Kipsoen Technical and Vocational College-Iten Board of Governors (BOG) have established an *Audit and risk committee*, which attends to the college audit requirements from time to time. Auditing is scheduled as per the GOK requirements relating to public institutions. Internal and external auditors are involved for this purpose.

Finance, Infrastructural and General Purpose committee

The Kipsoen Technical and Vocational College-Iten has an existing *Finance and operations committee* that is constituted by some the members of the Board of Governors (BOG). This committee performs functions such as college budget approval, regulation of expenditures, identifications of Income Generating Activities (IGA) and other sources of revenues.

Human, Resource, Education and Research committee

Kipsoen Technical and Vocational College-Iten core mandate is to promote advancement of education and development in the region and the country at large through technical and vocational training, research, innovation and community service. The Board of Governors has therefore established a special committee that is dedicated to issues relating to academic activities such development of policies, acquisition of teaching and learning materials amongst others.

S/No	Name of committee	Members
1.	Finance and General-Purpose committee	1. Duncan Kimaiyo - Chairperson 2. Amos O. Kabarage 3. Moses M.Thiga 4. Gideon K. Mutai 5. Joseph Bitok - secretary
2.	Academic Resource and Management committee	1. Moses M.Thiga-Chairperson

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		<ol style="list-style-type: none"> 2. Jeffrey M. Mutiso 3. Amos O. Kabarage 4. Zipporah N, Gwako 5. Joseph Bitok - secretary
3	Audit Risk and governance committee	<ol style="list-style-type: none"> 1. Boaz K. Kipchoge – Chairperson 2. Jeofrey M. Mutiso 3. Gideon K. Mutai 4. Internal auditor –mentoring /Govt institution

(f) Entity Headquarters

Kipsoen Technical and Vocational College,
Off Iten-Eldoret Road.
P.O. Box 344-30700,
ITEN, KENYA

(g) Entity Contacts

Telephone: (254) 797868786
E-mail: kipsoentvc@gmail.com
Website: www.kipsoentvc.ac.ke

(h) Entity Bankers

Equity Bank Ltd
Iten Branch
P.O. Box 616-30700
Iten, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser






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

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3.The Board of Governors


SN.	Member/ Director	Details
1.	 Veronicah C. Birgen, MBS <i>Master of science – organisational development</i>	Holder of master of science in organisational development She has extensive experience in public service having worked in various departments and institutions, Chairperson BOG
2.	 Duncan Kimaiyo. <i>Bachelor of Science in Mathematics</i>	Born on 5 th May 1986. Holder of Bachelor of Science in Mathematics. He is a business Person-Agricultural Input and General Supplies. Executive member BOG, Chairperson Finance, Infrastructure and General Purpose Committee.
3.	 Amos O. Kabarage	Holder of bachelor of commerce finance and CPAK.He is a member of finance, general purpose committee
4.	 Boaz K. Kipchoge <i>Bachelor of science telecommunications and information technology</i>	Born on 10 th March 1986 Holder of BSc. Telecommunications & I.T. He is Trainee Engineer - Networks. Executive member BOG, Chairperson ,audit ,risk and governance Committee.
5.	 Jeofrey M. Mutiso Master of science in development	Born on 12 th june 1976 Holder of masterof science in development studies.Lecturer department of sociology,psychology and anthropology moi university, Member of academic resource and management and audit,risk and governance committee.

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	Studies	
6.	 <p>Zipporah N. Gwako Masters in project planning and management</p>	<p>Born on 1965 Holder of masters in project planning and management, bachelor degree in industrial technology. She is an entrepreneur. She is a member of academic resource and management committee.</p>
7.	 <p>Moses M. Thiga PhD. Information systems</p>	<p>Born on 11th april 1980 Holder of Phd. Information systems Senior lecturer, information technology, kabarak university. He is a member of finance, general purpose committee</p>
8.	 <p>Gideon K. Mutai</p>	<p>Born on 16th august 1981 Holder of bachelor of business management, banking and finance option Has experience in cooperative and finance sector. Member of finance, general purpose committee and audit, risk and governance committee. He representative of elgeyo marakwet county government.</p>
9.	 <p>Michael Rugut Bachelors in Production Technology, Master's Degree in Administration</p>	<p>Mr. Rugut was born on 10th June 1967. He is a career civil servant currently serving as the Uasin Gishu County Director of TVET and represents the Principal Secretary, state Department of Vocational & Technical Training in the Board of Governors having worked previously at the Head Office, Ministry of Education, science and Technology, Nairobi. He has a degree in Production Technology from Moi University. He attained a certificate in Automotive Engineering and Construction from University of Japan. He holds a Master's Degree in Administration (Project Management) from Kenyatta University; He is also of a member of Finance and general purpose Committee.</p>

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10.	 Bitok K Joseph <i>Master Of Science (Analytical Chemistry)</i>	Born on 19 th September, 1970 Holder of Master of Science (Analytical Chemistry). Six years' experience in educational management and 25yrs as an effective trainer/teacher. Kipsoen TVC Principal/Secretary BOG
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4. Key Management Team

SN.	Member/ Director	Details
1.	 Bitok K. Joseph <i>Master Of Science (Analytical Chemistry)</i>	Principal
2.	 Karen Jelimo Kogo <i>Master of arts (social sciences)</i>	Deputy Principal Administration
3.	 Maurice K. Chemitei Bachelor of Education-Business and Secretarial.	Deputy Principal Academics
4.	 Erick Kiprop Tanui	Registrar

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	<i>Bachelor of Education in Technology Education (Electrical & Electronics Engineering)</i>	
5.	 <i>Higher national Diploma in Electrical & Electronics Engineering (Power Option)</i> <i>Diploma in Technical Education</i> <i>Diploma in instrumentation and control(aeronautic option)</i>	Dean of students
5.	 Peres Chepkemei <i>Diploma in Technical Education,</i> <i>Diploma in Electrical & Electronics Engineering (Power Option)</i>	Head of Department Engineering
6.	 Aaron K. Chemwolo <i>Diploma in Technical Education</i>	Head of Department - ICT/Business/Agriculture/Garment Making
7.	 Absolom Biwot Komen Bachelor of Business Management(purchasing and supplies option)	Procurement officer

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8.	 <p>Jonathan K. Yator <i>Bachelors In Business Management</i> <i>(Finance And Banking), ICPAK</i></p>	Accountant
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5. Chairman's Statement

I have the pleasure to present an overview of the Kipsoen Technical and Vocational College performance for the year ended 30th June 2024. KTVC endeavors to continually improve on the implementation of its mission and Objectives

Governance

We are grateful to the ministry of education through the directorate of technical education to have given the opportunity the newly inaugurated members to be trained on their duties and responsibilities as board of governors for KTVC.

We have focused to promote highly and advanced technical trained manpower in the various fields as part of the college's contribution towards the achievement of Vision 2030 by providing quality technical training for self-reliance and economic empowerment for sustainable development.

Financial Management

During the year ended 30th June 2024, Kipsoen Technical and Vocational College was mainly funded through the Government capitation and appropriation in Aid (A-I-A) for its recurrent expenditure.

I wish to finally thank the government of Kenya, Board of Governance, Management and staff for their dedication and participation over the year in striving to make KTVC achieve its desire in producing a more skilled and trained workforce for our country



Veronicah C. Birgen
CHAIRPERSON, BOARD OF GOVERNORS

6. Report of the Chief/Senior Principal

I am pleased to give a review of Kipsoen Technical Vocational College for the FY 2023/24. I wish to state from the onset that the institute is well placed to continue providing quality and relevant training to her graduates that will enable them to contribute towards the attainment of our country's Vision 2030 strategic objectives and the government's Bottom-Up Economic Transformation Agenda (BeTA). In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our institutional policies and academic programs to ensure competitiveness in terms of quality and relevance. With the guidance of the Governing Board, we have worked hard in setting up structures aimed at guiding the institution in the right strategic direction.

During the Financial Year 2023/2024, the TVET sector underwent major reforms in terms of curriculum design and funding model. The Government of Kenya directed all TVET institutions to fully implement the Competency Based Education and Training (CBET) curriculum effective September 2023. The institute complied and mounted CBET programs during the September 2023 intake and the subsequent intakes.

During the year under review, the Government of Kenya introduced a new funding model for TVETs and universities. The total fee for TVETs was set at Kshs. 67,189 which was to be financed partly as scholarship, partly HELB loan and partly by the Households. This was based on the categorization resulting from Mean Testing Instruments (MTI) which classified trainees into 5 different bands. This model applied to trainees admitted from September, 2023. This was a shift from the previous model that was based on capitation per trainee. In the previous model, the total tuition fee had been capped at Kshs. 56,420. All eligible trainees would receive capitation of Kshs. 30,000 while the balance of Kshs 26,420 would be paid by the parents, guardians and sponsors including The Higher Education Loans Board (HELB).

The College closed with an active trainee enrolment of 876 by the close of the financial year ended 30 June 2024.

On behalf of the Institute Board of Governors and Management, I take this opportunity to thank the Government for unequivocal support during the year under review. In particular, I acknowledge the recruitment of trainers during the year under review by the Public Service Commission where the institute received 9 additional trainers.

I also appreciate the support of all our stakeholders and partners during the year. Special thanks to the Chairman and members of the Board for their valuable insights and guidance in their oversight role. I look forward to their continued support in the new financial year and the years ahead.

In conclusion, I assure all stakeholders that the Institute is on course in achieving her mandate resource challenges notwithstanding. It is our hope that the economic environment will be favourable to allow for timely disbursement of allocated funds. During the year under review, the institute was faced with reduction in capitation revenue per trainee. Each trainee was to receive capitation of 7,500 per quarter but the government instead released kshs 4,500, kshs 3,500 ksh 4,000 and kshs 4,000 in quarters one, two, three respectively and four. This adversely affected our performance and budget projections. However, I look forward to a better performing year ahead.

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JOSEPH BITOK

PRINCIPAL/SECRETARY BOG

Date: ...14/03/2025.....

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7. Statement of Performance against Predetermined Objectives

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

Kipsoen Technical and Vocational College has *seven (7)* strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2021- FY 2025. These strategic pillars are as follows:

- Pillar 1: Infrastructural Development
- Pillar 2: Resources (financial and human)
- Pillar 3: Access, Equity and Quality Assurance
- Pillar 4: ICT Integration, Equipment and Technology
- Pillar 5: Collaboration and Linkages
- Pillar 6: Communication and Public Relations
- Pillar 7: Research and Development

Kipsoen Technical and Vocational College develops its annual work plans based on the above *seven (7)* pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Kipsoen Technical and Vocational College achieved its performance targets set for the FY 2021/2022 period for its *seven (7)* strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar / theme / issue 1	Infrastructure Development	Develop and upgrade infrastructure	Approved master plan by public works	1. Review the master plan 2. Update the master plan	Plans are underway
			Functional library	Equip a library	Library is not yet equipped.
			Availability of complete catering unit	Construct and equip a catering unit	Functional catering unit is not yet in place.
			College owned bus	Acquire a 46 seater bus	School bus is not available.
			Completed gate	Construct college gate	College gate not constructed
			Availability of more usable classrooms	Completion of existing basement block	Plans are underway for construction of four classrooms.
			More classroom available	Construction of classrooms	Four classroom not constructed

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			Two more Workshops available for learning	Construct and Equip two workshops	Two workshops are yet to be constructed and equipped
			Two more Workshops available for learning	Construct and Equip two workshops	Two workshops not yet constructed and equipped.
			Functional sporting facilities	Construct and landscape for sporting facilities	Sporting facilities partly constructed
			Functioning infrastructure	Repairs and maintenance	Infrastructure repair and maintenance is on-going
			Number of acres bought.	Buy 15 acres of land	15 acres of land not bought.
			Operational 100KVA generator	Purchase 100KVA generator	100KVA generator not bought.
Pillar / theme / issue 2	Financial Resources	Diversify sources and increase funding	Increased student population	Increase student's enrolment. Enrolment of students/trainees	GOK capitation increased.
			Number of proposals done	Develop and submit proposals to Donors	Proposals not yet developed and submitted
			Funds sought	Seek for funds from county, national and other agencies	More activities not undertaken and accomplished
			Number of dairy cows purchased	Purchase four dairy cows	Not yet purchased
			Number of 500 seater tents fabricated	Fabrication of 500 seater tents	500 seater Tents not fabricated
			Number of audits records done	Regular audit of financial records	Auditing of financial records currently underway.
	Human Resources	Harness Human	Human resource policy in place.	i) Form a committee to work	HR Policy draft is ready for

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		resource		on the Human Resource policy	adoption.
			HR policy implemented	ii) Implement the HR policy	HR policy not operational
Pillar / theme / issue 3	Access, Equity and Quality Assurance		Number of students assisted.	Assist potential trainees to access funding for their tuition.	Several applications received.
			Policy on Affirmative Action	Develop and implement Affirmative Action Policy	Gender equity yet to be achieved.
			Number of training/workshop attended.	Sponsor guidance and counselling staff for training/Workshop	Improved guidance and counselling services
			Number of guidance and counselling reference materials bought.	Purchase of guidance and counselling reference materials	Reference materials in place
			Number of graduates securing employment.	Offer market Oriented curriculum	Market oriented curriculum implemented
Pillar / theme / issue 4	ICT, Equipment and Technology	To build ICT capacity in curriculum, service delivery and institution management.	60 additional computers procured,	Expand and improve ICT equipment	ICT equipment expansion in progress
			2 Smart boards procured		Plans are in progress
			10 CCTV Cameras		Plans are in progress
			Computer Rooms and Administrative offices provided with LAN		Plans are in progress
			Functional MIS.	Procure and install management	Procurement of management

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				Information Systems	information systems procured and installed
			ICT integrated in teaching and learning.	Integrate ICT in curriculum delivery	Introduced online teaching/learning, Maintained teaching/learning Database.
			ICT policy in place	Develop and implement ICT Policy	ICT policy not yet developed.
Pillar / theme / issue 5	Collaboration and Linkages	Enhance collaboration and linkages with industries, TVET institutions and schools	Number of Collaborations established.	Nurture and expand collaboration and linkages	Enhanced collaborations and linkage undertaken;
			No of benchmark trips	Benchmarking trips to other TVET institution	Benchmarking undertaken.
			Number of networks established.	Visiting industries and companies	Six industries/companies visited.
Pillar / theme / issue 6	Public Relations and Communication	To ensure effective public relation communication between the college and our publics	Corporate communication policy in place	Form a committee to develop a corporate communication policy	Corporate communication policy not developed
			Number of social responsibilities undertaken.	Participation in tree planting, cleaning activities, offering agriculture extension to our neighbourhood, fund raising activities. Amongst others	Corporate image and good will raised.
			Number of activities conducted in relation to	Go to local barazas, use social medias and print media	Visibility of our college Increased.

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			marketing.		
			Number of sensitization conducted	Sensitize Schools(primary and secondary) on importance of TVET courses.	Schools sensitized
			Number of forums attended.	Sensitization of local community on importance of TVET courses	Local community sensitized
			Number of TVET services and products exhibited.	Participate in TVET Open Days.	Showcased TVET services and products
Pillar / theme / issue 7	Research and Development	Institutionalize effective research and development	Research policy document in place	Develop research policy	Research policy document not yet developed.
			Research and Development unit functional	Establish a Research and Development Unit for coordination	Research and Development unit established
			Number of successful R & D activities carried out.	Carry out research and development activities.	Innovativeness Enhanced.
			Participation in ASK Show and open days	Organize open Fora to showcase Research findings.	Technological exchange fora not yet organized

8. Corporate Governance Statement

The statement outlines the key aspects of the Institute's corporate governance framework. Corporate governance is the process by which the Institute is directed, controlled and held to account. It provides the structure through which the strategic objectives of the Institute are set, and the means of attaining of them as well as monitoring performance. Corporate Governance dictates the engagement between the Institute Board of Governors, Management, Regulators and all Stakeholders.

The Institute in its decision-making processes observes the highest ethical standards and benchmarks on global best practices in compliance with the applicable legal principles, its vision, mission and core values for sustainability of the Institute.

(i) The Board charter.

The Board is guided by the Board Charter which defines the governance procedures within which the Board exists and operates. The charter is in the formulation process and it clearly states the respective roles, responsibilities and the authorities of the Board and its Committees.

(ii) Board Appointment and Composition.

In accordance with the TVET Act, 2013, the Board of Governors consists of nine persons appointed by the Cabinet Secretary for a period for of three years and who are eligible for re-appointment for a further one term.

The membership of the Board of Governors comprises of;

- (a) The Chairperson;
- (b) The Principal who is the Secretary to the Board of Governors.
- (c) Representative of the Principal Secretary in the Ministry of Education Science and Technology, State Department of TVET
- (d) Representative of the Governor of County Government of Elgeyo Marakwet
- (e) Five other members appointed on the basis of their knowledge and experience in— (i) leadership and management; (ii) financial management; (iii) technology; (iv) industry; (v) engineering; (vi) information communication technology

In appointing and reappointing of board members, commencement dates of some members are staggered to maintain continuity in the affairs of the board.

The appointment of a member to the BOG may be revoked if the member resigns, becomes insolvent, imprisoned for a term of six months or more, incapacitated by physical or mental illness, absent from three consecutive meetings of the board without leave, inability to discharge his/her function or appointment revoked by the appointing authority.

The BOG meets at least once every four months. Quorum for the conduct of business at a meeting of the BOG is two-thirds of the total number of members of the Board.

Some of the roles of the Board of Governors include:

- (a) Approve the policies of the Institute
- (b) Recruit staff
- (c) Approve the Annual Budget

- (d) Cause the Accounts to be kept and financial statement to be prepared and presented for audit.
- (e) Undertake other functions set out in the TVET Act, 2013.

(iii) Board Diversity

The Board members possess a broad range of skills, expertise, experience and knowledge essential to undertake the institute's mandate. The institute endeavors to and remains compliant with the one third (1/3) gender balance.

(iv) Separation of Powers

The Chairman of the Board's responsibilities include the operation, leadership and governance of the Board, ensuring its effectiveness and setting its agenda. The Institute Principal's roles and responsibilities include the day-to-day management of the Institute's business and overseeing the implementation of strategies, policies approved by the Board.

(v) Board's Effectiveness

In order to ensure that the Board members are effective in their contribution to the management of the Institute, the members undergo regular training to enable them to fulfill their responsibilities. The Board members undergo a comprehensive induction and capacity building program upon their inauguration.

(vi) Sitting Allowances of the Board

The Board members are remunerated for their service in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. The remuneration includes sitting allowances per sitting to the Chairman and members. In addition, sitting allowances may be payable when on official duty in and outside the country.

(vii) Conflict Of Interest

The Institute conflict of interest policy outlines the circumstances under which a conflict of interest may arise. Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the organization. However, a board member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the board. A register of interests is maintained and declarations of any conflicts of interests are made at the start of each committee and board meetings.

(viii) Committees of the Board:

The Institute has a total of three committees which are;

- (i) The Audit, Risk and Governance Committee
- (ii) Finance and General-Purpose Committee
- (iii) Academic and Human Resource Committee

9. Management Discussion and Analysis

SECTION A:

(a) The Institute’s Performance

Revenue

The Institute’s sources of funds during the year under review includes;

- (i) Government Grants – Capitation
- (ii) Internally generated funds – Tuition and other related charges

During the year, revenue of Ksh.11,096,925 was received from the national government as capitation, Kshs. 36,047,608 from for rendering of services and Kshs 26,800 from sale of goods and Kshs 35,600 from other incomes generated internally. The Institute’s total revenue increased by 20% to Kshs. 47,206,933 from Kshs. 39,277,795. The variance was attributed to changes in the new funding model which caused income per trainee to increase to Kshs 67,189.

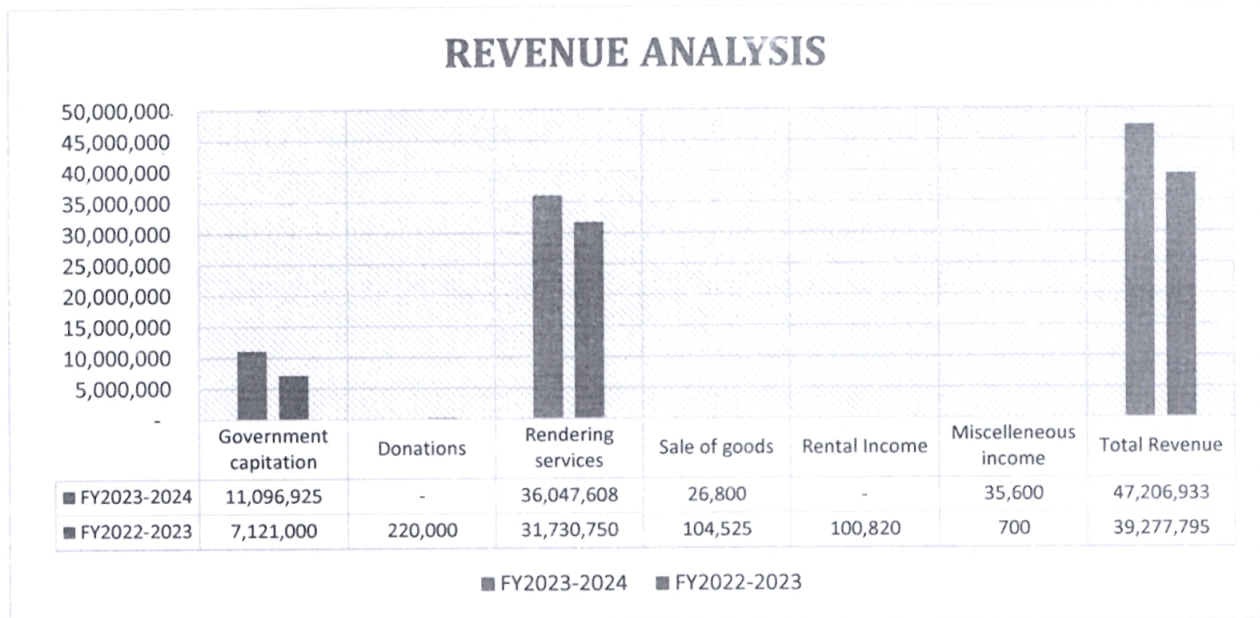


Fig. 1. The Institute’s Comparative Revenue Analysis for the periods ending 30th June 2023 and 30th June 2024.

Expenditure

The institute’s expenditure comprises of the use of goods and services, employee costs, repairs and maintenance, the board of governor’s costs, and general expenses.

The overall expenditure for the period increased by 24% to 31,849,177 from 25,612,335 in the last financial year.

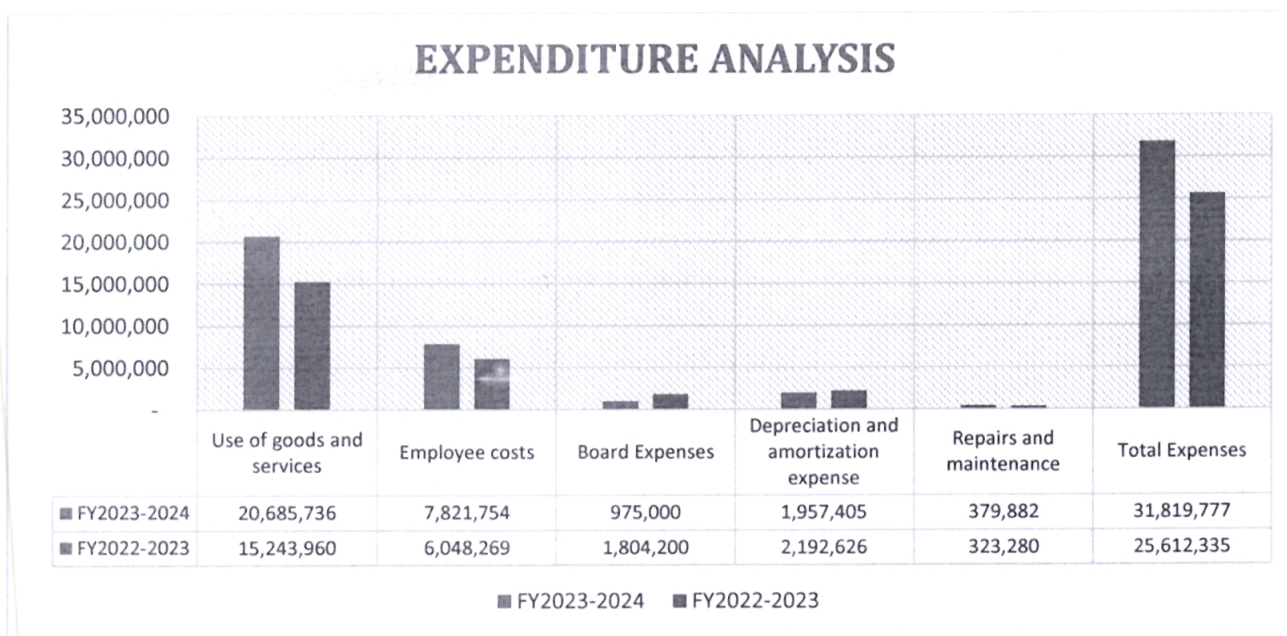


Fig. 2. The Institute’s Comparative Expenditure Analysis for the periods ending 30th June 2023 and 30th June 2024.

(b) The Institute’s Compliance with Statutory Requirements

The Institute complies with statutory requirements and has remitted payroll statutory deductions over the years.

(c) Material Arrears in Statutory/Financial Obligations.

The Institute does not have any loan default, tax default, outstanding staff and pension obligation/actuarial deficit. The pending supplier balances as at 30th June 2024 was Kshs 346,954

(d) Key Projects and Investment Decisions the Institute is Planning/Implementing.

During the year under review the Institute undertook the following projects some of which are works in progress

No.	ONGOING PROJECTS	SOURCE OF FUNDS
1	Tuition block2	NGCDF Keiyo North

(e) The proposed projects are provided in the table below:

No.	PROPOSED PROJECTS	SOURCE OF FUNDS
1	Purchase of College Bus	A-I-A

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2	Construction of fashion and design workshops	A-I-A
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(f) Major Challenges and Risks Facing the Institute

The following are the major challenges facing the Institute.

No.	Challenge	Mitigation
1	Delayed and reduced disbursement of capitation funds from the Government	Making formal follow-ups including, writing letters and visiting the Ministry of Education Offices
2	Infrastructure limitation due increased trainee population.	Constructed temporary workshop for Building and, writing and submitting proposals to the Ministry of Education for Development Grants and encouraging the locals to construct accommodation facilities for the trainees.

(g) The Entity's Financial Probity and serious Governance Issues

There were no financial probity and serious governance issues during the year under review.

10. Environmental And Sustainability Reporting Statement

Kipsoen technical Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Sustainability strategy and profile

The triple Bottom Line concepts analyses the sustainability of an organization based on three concepts: Profits, people (social) and Planet (environment).

Profit: The institute has adopted a transformation strategy aimed at ensuring that she remains financially sound in the face of dwindling funding from the central government. The institutions have expanded its capacity for internally generated income like farming of hay, dairy animals.

Social: the institute has developed a succession management policy to address the welfare of employees in the future and ensure that the organization is sustainable in the future

Environment: The board of governance has plans to undertake an environmental sustainability audit and develop an environmental policy to address the issues of environmental sustainability that will be identified during the audit.

Environmental performance

Use of softcopy material has been encouraged and thereby reduced on the use of paper. Training sessions are conducted with the use of white boards instead of chalk board thereby reducing dust and related effects.

Employee welfare

The Institute values her employees and the many stakeholders, including the wider community where the training of our students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community consultation process. Capacity building trainings were conducted during the year to improve on the staff competency and planning for retirement.

We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviors of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

Activity	Description
Better training	<ul style="list-style-type: none"> • Optimizing training operations to meet ongoing social and sustainability objectives. • Providing opportunities for growth as the Institute by becoming involved in our local community.
Enhanced community	<ul style="list-style-type: none"> • Focusing on good urban design and empowered members for healthy, happy and resilient community.

Supported Staff	<ul style="list-style-type: none"> • Promoting initiatives that support staff and their families, beyond the provision of employment. • Promoting initiatives that recognize the contribution of the students to the community.
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Policies Guiding the Institute’s Hiring Process

S/no	Title	Review Period	Remarks
1	Career Progression	Regularly	Vacant positions are filled competitively both internally and externally. Financial resources are considered before effecting the strategy
2	Human Resource Manual	Regularly	Terms and conditions of service governing employees are applied across the board without discrimination
3	Internship Policy and guidelines	Regularly	Intern positions are filled competitively and without discrimination
5	Gender Mainstreaming	Regularly	The Institute observes equal employment opportunities during staff recruitment across all genders
6	Disability Mainstreaming	Regularly	The institute offers equal employment opportunities to officers living with disability. The institute also offers rights and privileges as provided in the PWDs Act and Board employment policies

Market place practices

Responsible Supply Chain and Supplier relations

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

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

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

Kipsoen Technical Vocational College has at all-time ensured responsible treatment of the suppliers in various ways as featured below;

- i) Ensuring proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- ii) Providing customer support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- iii) When doing procurement planning the institute has complied with preference and reservation requirements.

Kipsoen Technical & Vocational College

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

- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

Corporate Social Responsibility / Community Engagements

During the year under review, the institute carried out various CSR activities to impact the society such as tree planting, road safety awareness and helping the less fortunate in our community.

Employee welfare

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11. Report of the Board of Governors

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

Principal activities

The principal activities of the institute are is to provide high quality Technical and Vocational Education and Training and Research that promote Creativity and Innovations to meet global challenges

Results

The results of the Institute for the year ended June 30 are set out on page 1 to 5.

Board of Governors

The members of the Board who served during the year are shown on page viii-ix

Auditors

The Auditor General is responsible for the statutory audit of the Kipsoen Technical & Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Secretary of the Board

Kipsoen Technical Vocational College

Date:14.03.2025

12. Statement of Board of Governors' Responsibilities

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

The board members are responsible for the preparation and presentation of Kipsoen Technical & Vocational College financial statements, which give a true and fair view of the state of affairs of Kipsoen Technical & Vocational College for and as at the end of the financial year ended on June 30, 2024

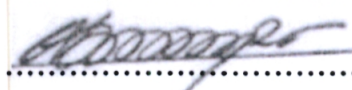
. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute; (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 Kipsoen Technical & Vocational College (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


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

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

Approval of the financial statements

The Kipsoen Technical & Vocational College's financial statements were approved by the Board on 5th November 2024 and signed on its behalf by:


.....


.....

Chairperson of the Board

Accounting Officer/Principal

REPUBLIC OF KENYA



Enhancing Accountability

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

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kipsoen Technical and Vocational College set out on pages 1 to 38, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kipsoen 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 comply with the Technical and Vocational Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Property, Plant and Equipment.

The statement of financial position reflects a balance of Kshs.56,540,341 in respect of property, plant and equipment as disclosed under Note 21 to the financial statements. Physical inspection conducted in the month of February, 2025 revealed that the College owns 5-hectars piece of land where the College premises sits and whose value was not determined and not included in the reported balances for property, plant and equipment.

In addition, the ownership documents such as title deeds or allotment letter were not provided for audit review.

Further, there was no documentary evidence provided to confirm how the values of Kshs.56,540,341 disclosed in the statement of financial position were determined as no valuation report was not provided. The College did not also have an assets depreciation policy hence the basis of the method of depreciation and rates used could not be confirmed.

In addition, as previously reported one of the motor vehicles, registration Number: GKA 363U that was donated to the College by Keiyo North National Government Constituency Development Fund (NG-CDF) has not been transferred to the College as the vehicle logbook is in the name of Keiyo North National Government Constituency Development Fund.

The fixed assets register maintained by the College was not updated as it did not contain all information required by International Public Sector Accounting Standard (IPSAS) 17 whose minimum disclosure requirements include: Identification or serial number, acquisition date, description of assets, location, class, cost of acquisition, accumulated depreciation and net book value.

In the circumstances, the accuracy, completeness, ownership and fair valuation of the property, plant and equipment balance of Kshs.56,540,341 could not be confirmed.

2. Unsupported Travel and Subsistence Expenses

The statement of financial performance reflects an amount of Kshs.20,715,136 in respect of use of goods and services as disclosed in Note 13 to the financial statements. Included in the amount is Kshs.2,590,750 in respect to travel and subsistence allowances. However, review of documents provided for audit revealed that an expenditure amounting to Kshs.595,200 paid as travel expenses lacked proper supporting documentation such as work ticket, imprest warrants and imprest register detailing the payees, imprest warrant numbers, date of issue, due dates and dates of surrender. This was contrary to the provisions of Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 which requires the accounting officer to ensure recording of the applicant and amount issued in the imprest register.

In the circumstances, the accuracy, completeness and validity of travel and subsistence allowances of Kshs.2,590,750 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.68,954,000 and Kshs.47,206,993 respectively, resulting in an under-funding of Kshs.21,747,007 or 31% of the budget. Similarly, the College spent an amount of Kshs.29,891,772 against actual receipts of Kshs.47,206.933, resulting in an under-absorption of Kshs.17,315,161 representing 36% of the receipts.

The underfunding and under absorption of fund affected the planned activities and may have impacted negatively on service delivery to the students and stakeholders of Kipsoen Technical and Vocational Training College.

My opinion is not modified in respect of this matter

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page iii to xxix 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 statement, Report of the Board of Governors and Statement of 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 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.

Failure to Achieve Performance Objectives

Review of the statement of performance against the College predetermined objectives revealed that out of forty-six (46) planned activities across seven (7) strategic pillars, only Nineteen (19), representing 41% were achieved, while twenty-two (22), representing 48% were not achieved and five (5), representing 11% were partially completed.

Failure to implement projects and programs in accordance with targets and priorities outlined in the Annual Work Plan may lead to insignificant progress in addressing development challenges in the College.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of the Financial Statements

The College's financial statements for the year ended 30 June, 2024 were submitted to the Auditor-General on 06 November, 2024, approximately one (1) month and a week

after the statutory deadline of 30 September, 2024. This was contrary to the requirement of section 68(2k) of the Public Finance Management Act, 2012 which requires the accounting officer prepare annual financial statements for each financial year within three (3) months after the end of the financial year and submit them to the Controller of Budget and the Auditor-General for audit and in the case of a National Government entity, forward a copy to the National Treasury.

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

2. Presentation of the Financial Statements

Review of the financial statements submitted for audit revealed the following anomalies in the format and presentation of the financial statements:

- i). Inter-entity transfers at page 41 to the financial statements is not signed by the head of accounting unit of the Ministry of Education contrary to Public Sector Accounting Standards Board (PSASB) template issued in June, 2024.
- ii). Corporate governance statement at page "xx" to the financial statements did not include the succession plan, the number of Board/Council meetings held, induction and training, board member performance, ethics and conduct and governance audit as required by the template.
- iii). Balances in the statement of cash flows were not supported with relevant schedules

In the circumstances, the College's financial statements are not in conformity with Public Sector Accounting Standards Board prescribed format

3. Lack of Approved Annual Estimate of Revenue and Expenditure

During the year under review the Board approved a budget of Kshs.68,954,000 in respect to revenue and expenditure respectively. However, there was no evidence to indicated that the budget was submitted and approved by the Cabinet Secretary Ministry of Education contrary to Section 22(1) and (2) of the second schedule to the Technical and Vocational Education and Training Act, 2013 which stipulates Board of Governors of a public institution shall prepare annual estimates of revenue and expenditure for the institution under its charge, in such form and at such times as the Cabinet Secretary may prescribe and the Board of Governors may incur expenditure for the purpose of the institution in accordance with estimates approved by the Cabinet Secretary and any approved expenditure under any head of the estimates may not be exceeded without the prior written approval of the Cabinet Secretary.

In the circumstances, the College is in breach of the law.

4. Irregular Cash Procurement of Goods and Services

The statement of financial performance reflects an amount of Kshs.20,715,136 in respect of use of goods and services as disclosed in Note 13 to the financial statements. However, review of payment vouchers and other supporting documents provided for audit revealed that supplies worth Kshs.986,076 were procured through cash payments (imprest) though the expenditure was above the thresholds for cash purchase as

specified in the threshold matrix in the Public Procurement and Assets Disposal Act, 2015.

In the circumstances, the College was in breach of the law

5. Irregularities on Procurement of Goods and Services

The statement of financial performance reflects an amount of Kshs.20,715,136 in respect of use of goods and services as disclosed in Note 13 to the financial statements. However, review of payment vouchers and other supporting documents provided for audit revealed that goods worth Kshs.1,233,932 procured through request for quotation had the following anomalies.

- i. Mandatory compliance documents such as valid tax compliance certificate as set out in the evaluation criteria did not support the expenditure contrary to the requirement of Section 79(1) of Public Procurement and Assets Disposal Act, 2015 A tender is responsive if it conforms to all the eligibility and other mandatory requirements in the tender documents
- ii. There was no evidence that the head of procurement function made recommendations by way of professional opinion before the decision to award a procurement under a request for quotation contrary to Regulation 91(4) of the Public Procurement and Asset Regulations, 2020.
- iii. Quotation register was not also provided for audit review
- iv. The Management failed to allocated at least thirty percent of its procurement value in every financial year to the youth, women and persons with disability contrary to the requirement of Section 157(10) of the Public Procurement and Asset Disposal Act, 2015

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

6. Non-Compliance with Law on Ethnic Composition

The statement of financial performance reflects an amount of Kshs.7,821,754 in respect Employee costs as disclosed in Note 14 to the financial statements. Review of payroll records provided revealed that the total number of staff employed by the Colleges' Board were forty-seven (47) out of which forty-one (41) or 87% of the number were members of the dominant ethnic community contrary to the requirement of 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 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.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk Management and governance were not effective.

Basis for Conclusion

1. Weaknesses in Cash and Bank Management

Review of the cash and bank balances assets management practices revealed the following weaknesses:

- i. Review of the cash book indicated that, there was no evidence that a senior officer checked the accuracy and completeness of the excel cash book and bank reconciliation statements. The monthly transactions recorded in the cash book were not checked and approved by an officer different from the one who did the recording and balancing
- ii. There was also lack of supervision and segregation of duties on recording of receipts and payments, updating of the ledgers, updating and reconciling cash books with bank balances, making payments and preparation of financial reports
- iii. The reported cash balance of Kshs.90,500 as at end of the financial year. However, petty cash management system, supported with ad hoc committee appointed by the accounting officer to conduct board of survey on cash count and issue a certificate on cash balance as at 30 June, 2023 was lacking.
- iv. During the year under audit, payments amounting to Kshs.1,429,800 were made in respect to per diem to staff for various trainings and seminars. However, no imprest register was in place to manage imprest issues and surrenders.

In the circumstances, internal controls to confirm control, care and prudent management of cash and cash equivalents assets of the College could not be confirmed.

2. Lack of Policy on Debtors and Provision for Bad and Doubtful Debts

The statement of financial position reflects a balance of Kshs.38,070,178 and Kshs.6,052,245 in respect of current receivables and long-term receivable from exchange transactions (student debtors) as disclosed in Note 19 (a&b) to the financial statements. However, the ageing analysis and a policy on debtors and provision for bad and doubtful debts was not provided for audit. In addition, there was no evidence that the Management had put in place mechanisms to recover the outstanding debts as the College may suffer financial loss from unrecovered debts.

In the circumstances, the recoverability of the total receivable from exchange transactions balance of Kshs.44,122,423 could not be confirmed.

3. Lack of Approved Staff Establishment

During the year under review, Management did not have in place human resource plan and staff establishment record. This is contrary to Regulation 120(2) of the Public Finance Management (National Government) Regulations, 2015 which requires that the budgetary allocation for personnel costs should be determined on the basis of a detailed costing of a human capital plan of a National Government entity as approved by state department responsible for public service Management matters, the public service commission and National Treasury.

Further, the College operated without an authorized staff establishment that indicates the optimal number of staff for each category, the number in post and the variance so as to ensure efficient, quality and productive services in the Institution. In the absence of an approved establishment, it is not possible to ascertain whether the College was operating within optimal level of staff establishment.

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

4. Failure to Establish an Internal Audit Unit and Audit Committee

During the year under review, the College did not have an internal audit function in place that perform risk assessment processes and evaluate operational effectiveness through in-depth reviews of Management operations and internal controls in the College contrary to the requirement of Section 73(1)(a) of the Public Finance Management (PFM) Act, 2012 which states that every National Government entity shall ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

Similarly, the College did not have an audit committee in place to oversee the development, performance and effectiveness of internal control over financial reporting, performance reporting and compliance with laws and regulations. This is contrary to the requirement of Section 73(5) of the Public Finance Management Act, 2012 which states that every National Government entity shall establish an internal auditing committee whose composition and functions are to be prescribed by the regulations.

In the circumstances, the College is in breach of the law.

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

Responsibilities of 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 to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit 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 IFPP 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

15 April, 2025

Kipsoen Technical & Vocational College

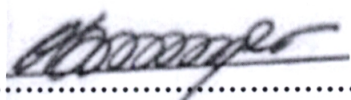
Annual Report and Financial Statements for the year ended 30th June 2024

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

	Notes	30 June 2024	30 June 2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	11,096,925	7,121,000
Transfers from other levels of Government	7	-	200,000
Grants and donations from Development partners	8	-	20,000
		11,096,925	7,341,000
Revenue from Exchange transactions			
Rendering of services- fees from students	9	36,047,608	31,730,750
Sale of goods	10	26,800	104,525
Rental revenue from facilities and equipment	11	-	100,820
Miscellaneous income	12	35,600	700
Revenue from Exchange transactions		36,110,008	31,936,795
Total Revenue		47,206,933	39,277,795
Expenses			
Use of goods and services	13	20,715,136	15,243,960
Employee costs	14	7,821,754	6,053,269
Board Expenses	15	975,000	1,804,200
Depreciation and amortization expense	16	2,181,405	2,472,626
Repairs and maintenance	17	379,882	323,280
Total Expenses		32,073,177	25,897,335
Net surplus for the year		15,133,756	13,380,460

(The notes set out on pages 6 to 33 form an integral part of the Annual Financial Statements).


The Financial Statements set out on pages 1 to 5 were signed by:



.....

Chairman of Council/Board

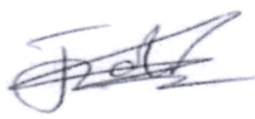
Date 14.03.2025



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Principal

Date 14.03.2025



.....

Finance Officer

ICPAK No 26189

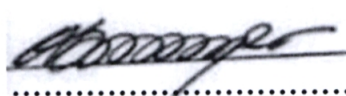
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Kipsoen Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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

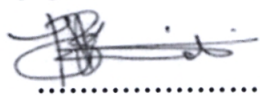
Description	Notes	30 June 2024	30 June 2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	18	3,693,866	707,908
Current portion of receivables from exchange transactions	19(a)	38,070,178	23,164,217
Receivables from non-exchange transactions	20	5,342,000	5,342,000
Total Current Assets		47,106,044	29,214,125
Non-Current Assets			
Long term receivables from exchange transactions	19(b)	6,052,245	6,052,245
Property, plant, and equipment	21	56,540,341	58,497,746
Intangible assets	22	896,000	1,120,000
Biological Assets	23	90,000	90,000
Total Non-Current Assets		63,578,586	65,759,991
Total Assets (A)		110,684,630	94,974,116
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	24	2,444,854	3,407,550
Refundable deposits from customers	25	1,749,000	1,272,000
Payments received in advance	27	5,460,662	4,398,208
Total Current Liabilities		9,654,516	9,077,758
Total Liabilities (B)		9,654,516	9,077,758
Net Assets (A-B)		101,030,114	85,896,358
Represented By:			
Accumulated Surplus		39,130,114	23,996,358
Capital Fund		61,900,000	61,900,000
Net Assets		101,030,114	85,896,358

The Financial Statements set out on pages 1 to 5 were signed by:



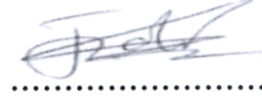
Chairman of Board

Date 14.03.2025



Principal

Date 14.03.2025



Finance Officer
ICPAK No26189

Date 14.03.2025

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

Description	Accumulated Surplus	Capital Fund	Total
	Kshs	Kshs	Kshs
At July 1, 2022	10,615,898	61,900,000	72,515,898
Surplus/(deficit) for the year	13,380,460	-	13,380,460
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-
At June 30, 2023	23,996,358	61,900,000	85,896,358
At July 1, 2023	23,996,358	61,900,000	85,896,358
Revaluation gain	-	-	-
Surplus/(deficit) for the year	15,133,756	-	15,357,756
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-
At June 30, 2024	39,130,114	61,900,000	101,030,114

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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		30 June 2024	30 June 2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	11,096,925	7,121,000
Transfers from other levels of government	7	-	200,000
Public contributions and donations	8	-	20,000
Rendering of services- fees from students	9	24,749,601	12,848,406
Sale of goods	10	26,800	104,525
Rental revenue from facilities and equipment	11	-	100,820
Miscellaneous income	12	35,600	700
Total Receipts		35,908,926	20,395,451
Payments			
Use of goods and services	13	23,746,332	13,368,987
Employee costs	14	7,821,754	6,053,269
Board Expenses	15	975,000	1,804,200
Repairs and maintenance	17	379,882	323,280
Total Payments		32,922,968	21,549,736
Net Cash Flows from operating activities	28	2,985,959	(1,154,285)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	22	-	(1,376,800)
Net cash flows used in investing activities		-	(1,376,800)
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		2,985,959	(2,531,085)
Cash and Cash equivalents at 1 JULY	18	707,908	3,238,993
Cash and Cash equivalents at 30 JUNE	18	3,693,866	707,908

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference
Revenue	Kshs	Kshs	Kshs	Kshs	K
Transfers from other National Government	36,000,000	-	36,000,000	11,096,925	(24,903,075)
Rendering of services- fees from students	32,954,000	-	32,954,000	36,110,008	3,156,008
Total Income	68,954,000		68,954,000	47,206,933	(21,747,067)
Expenses					
Use of goods and services	33,560,450	-	33,560,450	20,715,136	(12,845,314)
Employee costs	13,824,000	-	13,824,000	7,821,754	(6,002,246)
Board Expenses	1,000,000	-	1,000,000	975,000	(25,000)
Repairs and maintenance	2,190,000	-	2,190,000	379,882	(1,810,118)
Total Expenditure	50,574,450	-	50,574,450	29,891,772	(20,682,678)
Surplus For the Period	18,379,550	-	18,379,550	17,315,161	(1,064,389)
Capital Expenditure	18,379,550	-	18,379,550	-	18,379,550

Budget Notes:

- The variation was due to reduced capitation from National Government from Kshs 7,500 per trainee per quarter to Kshs 4,000 per trainee per quarter for quarter 1,2,3 and 4 respectively.
- The variance was due to cost minimization measures to address cashflow challenges due to reduced and delayed capitation from National Government.
- The variation was due to holding of recruiting additional staff due to cashflow challenges
- The variation was due to putting to hold of non-priority projects due to reduced income.
- The underperformance was due to holding of the implementation of budgeted capital projects due to reduced funding.

19. Notes to the Financial Statements

1. General Information

Kipsoen Technical Vocational College is established by and derives its authority and accountability from TVET Act. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the College'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 4. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the College. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 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 the College. 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

**Kipsoen Technical & Vocational College
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	<p>IPSAS.</p> <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><i>Applicable 1st January 2026</i></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 the College 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><i>Applicable 1st January 2026</i></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><i>Applicable 1st January 2026</i></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

Kipsoen Technical & Vocational College did not early adopt any new or amended standards in year 2023-2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Board on 08.08.2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The College'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.

c) Taxes

Current income tax

The College is exempt from paying taxes as per schedule 1 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. 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 College 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 College. 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 College 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 College 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 College. 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 College expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the College 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 College does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one College and a financial liability or equity instrument of another College. At initial recognition, the College 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 College 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 College'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 College 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 College 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 College 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 College 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 College recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

The College 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 College.

k) Provisions

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

Contingent liabilities

The College 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 *College* 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 College 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 College 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 College will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

The College creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The College provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which the College pays fixed contributions into a separate (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.

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

s) Service concession arrangements

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

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.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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

6. Transfers from other National Government entities

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Capitation Grants	11,096,925	7,121,000
Operational Grants	-	-
Total Transfers from Non-Exchange Transactions	11,096,925	7,121,000

(a) Transfers from other Government entities (Categorized)

Name of the College Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of education	11,096,925	-	-	-	7,121,000
Total	11,096,925	-	-	-	7,121,000

This relates to revenue received from National Government as capitation for the trainee in the year under review.

7. Transfers from Other Levels of Government

Description	30 June 2024	30 June 2023
	Kshs	Kshs
County Government of Elgeyo Marakwet	-	200,000
Total transfers from Other Level of Government	-	200,000

8. Public Contributions and Donations

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Equity Bank	-	20,000
Total Public contributions and donations	-	20,000

9. Rendering of Services

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Tuition	14,602,409	15,215,188
Personnel Emoluments	4,356,599	4,890,860
Electricity, Water and Conservancy	1,436,866	1,377,436
Local travel and transport	1,430,913	1,265,464
Repairs, Maintenance and Improvement	1,167,359	776,200
Activity fee	1,623,552	1,413,892
Medical	410,167	894,000
Industrial attachment	820,333	1,788,000
Registration fees	270,500	713,000
Student ID	254,500	356,500
Student union	429,300	
Examination fees	9,041,110	3,040,210
Driving school	165,000	-
Security Training	9,000	-
Computer packages	30,000	-
Total Revenue from The Rendering of Services	36,047,608	31,730,750

This relates to revenue receivable from trainees under the old and new funding models. Under the old funding model each trainee was expected to pay Kshs 26,420 per year and under the new funding model the fees receivable is Kshs 67,189

10. Sale of Goods

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Sale of farm Produce	26,800	104,525
Total Revenue from Sale of Goods	26,800	104,525

This relates to revenue received from sale of hay and milk

11. Rental revenue from facilities and equipment

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Hire of Facilities and Equipment	-	100,820
Total	-	100,820

12. Miscellaneous Income

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Miscellaneous income	35,600	700
Total Miscellaneous income	35,600	700

This relates to donation from Kipsoen Secondary and Kerio Valley TVC for refreshments during National holiday and TVET @100 Torch celebrations

13. Use of Goods and Services

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Teaching and learning materials	8,105,595	7,238,727
Industrial attachment	267,500	284,100
Electricity, Water and Conservancy	685,234	385,042
Subscriptions	67,600	35,200
Advertising	163,000	103,200
Examination fees	3,950,320	2,618,730
Travelling and accommodation	2,590,750	1,429,800
Fuel and oils	320,524	477,487
Insurance	34,750	43,000
Postage	9,450	10,876
Printing and stationery	858,950	773,570
Student ID	51,030	114,380
Activity fee	1,293,751	791,780
Medical expenses	-	1,650
Internet expenses	102,514	124,278
Training expenses	1,937,787	766,900
Bank charges	66,911	45,240
Telephone expenses	12,000	-
Student union	197,470	-
Total good and services	20,715,136	15,243,960

14. Employee Costs

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Salaries and wages	7,821,754	6,053,269
Employee Costs	7,821,754	6,053,269

15. Board Expenses

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Board allowances and expenses	975,000	1,804,200
Total Board allowances and expenses	975,000	1,804,200

16. Depreciation and Amortization expense

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Property, plant and equipment	1,957,405	2,192,626
Intangible assets	224,000	280,000
Total depreciation and amortization	2,181,405	2,472,626

17. Repairs and Maintenance

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Property	94,040	175,180
Equipment and machinery	60,192	36,870
Vehicles	205,450	109,230
Computers and accessories	20,200	2,000
Total Repairs and Maintenance	379,882	323,280

18. Cash and Cash Equivalents

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Current Account	3,578,366	617,408
Cash at hand	115,500	90,500
Total Cash and Cash Equivalents	3,693,866	707,908

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

Financial Institution	Account number	30 June 2024	30 June 2023
		Kshs	Kshs
a) Current Account			
Equity Bank- Fees Collection Account		3,041,255	562,684
Equity Bank- Capitation Account		537,112	54,724
Sub- Total		3,578,366	617,408
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
Sub- Total		-	-
c) Fixed Deposits Account			
Kenya Commercial Bank		-	-

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Bank B		-	-
Sub- Total		-	-
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
e) Others		-	-
Cash in Transit		-	-
Cash in Hand		115,500	90,500
Mobile Money account		-	-
Sub- Total		115,500	90,500
Grand Total		3,693,866	707,408

19. Receivables from Exchange transactions

19 (a) Current Receivables from Exchange transactions

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Current Receivables		
Student Debtors	38,070,178	23,164,217
Less: Impairment Allowance	-	-
Total Current Receivables	38,070,178	23,164,217

19 (b) Long- term Receivables from Exchange transactions

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	-	-
Total	-	-
Current Portion Transferred To Current Receivables	6,052,245	6,052,245
Total Non-Current Receivables	6,052,245	6,052,245
Total Receivables	6,052,245	6,052,245

19 (c) Ageing Analysis of Receivables from Exchange transactions

Description	30 June 2024		30 June 2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	26,649,125	60%	23,164,217	76%
Between 1- 2 years	11,421,053	25%	6,052,245	24%
Between 2-3 years	6,052,245	15%	-	-
Total (a+b)	44,122,423	100 %	29,216,462	100%

19 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	30 June 2024	30 June 2023
	Kshs	Kshs
At the beginning of the year	29,216,462	8,987,350
Provisions during the year	11,230,961	23,164,217
Recovered during the year	3,675,000	(2,935,105)
Write offs during the year	-	-
At the end of the year	44,122,423	29,216,462

20. Receivables from Non-Exchange transactions

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Current Receivables		
Capitation Grants*	5,342,000	5,342,000
Less: Impairment Allowance	-	-
Total Current Receivables	5,342,000	5,342,000

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

Description	30 June 2024		30 June 2023	
	Kshs		Kshs	
	30 June 2024	% of the total	30 June 2023	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	5,342,000	%	5,342,000	100%
Total	5,342,000	%	5,342,000	100%

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

Description	30 June 2024	30 June 2023
	Kshs	Kshs
At the beginning of the year	5,342,000	5,342,000
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	5,342,000	5,342,000

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21. Property, Plant and Equipment

Cost	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Works in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate	2.5%	25.0%	12.5%	33.3%	12.5%		
At 1 July 2022	60,847,246	1,900,000	717,600	1,516,000	598,000	-	65,578,846
Additions	-	-	272,500	-	237,000	721,755	1,231,255
Disposals	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-
At 30th June 2023	60,847,246	1,900,000	990,100	1,516,000	835,000	721,755	66,810,101
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-
At 30th June 2024	60,847,246	1,900,000	990,100	1,516,000	835,000	721,755	66,810,101
Depreciation And Impairment							
At 1 Jun 2022	4,409,594	831,250	159,345	522,153	197,387	-	6,119,729
Depreciation	1,410,941	267,188	103,844	330,951	79,702	-	2,192,626
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
At 30 Jun 2023	5,820,535	1,098,438	263,189	853,104	277,089	-	8,312,355
Depreciation	1,375,668	200,391	90,864	220,744	69,739	-	1,957,405
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-
At 30th Jun 2024	7,196,203	1,298,829	354,053	1,073,848	346,828	-	10,269,760
Net Book Values							-
At 30th June 2023	55,026,711	801,562	726,911	662,896	557,911	721,755	58,497,746
At 30th June 2024	53,651,043	601,172	636,047	442,152	488,172	721,755	56,540,341

WIP relates to constructions of wall to the workshops at the basement of the administration block

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Notes to the Financial Statements (Continued)

Valuation

The College has not valued its assets as per the National Treasury guidelines- the National Liabilities and Management Policy and guidelines (Issued June 2020).

21 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	60,847,246	7,196,203	53,651,043
Plant And Machinery	835,000	346,828	488,172
Motor Vehicles including Motorcycles	1,900,000	1,298,829	601,172
Computers and Related Equipment	1,516,000	1,073,848	442,152
Office Equipment, Furniture, And Fittings	990,100	354,053	636,047
Capital Works in Progress	721,755	-	721,755
Total	66,810,101	10,269,760	56,540,341

22. Intangible Assets

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Cost		
At beginning of the year	1,120,000	560,000
Additions	-	840,000
At end of the year	1,120,000	1,400,000
Additions–internal development	-	-
At end of the year	1,120,000	1,400,000
Amortization and impairment		
At beginning of the year	-	-
Amortization	224,000	280,000
At end of the year	224,000	280,000
Impairment loss	-	-
At end of the year	-	-
NBV	896,000	1,120,000

23. Biological Assets

Description	30 June 2024	30 June 2023
Cattle	90,000	90,000
Total	90,000	90,000

24. Trade and Other Payables

Description	30 June 2024		30 June 2023	
	Kshs		Kshs	
Trade payables	376,354		2,813,550	
Fees paid in advance	-		-	
Third-Party Payments	2,068,500		594,000	
Total Trade and Other Payables	2,444,854		3,407,550	
Ageing analysis:	30 June 2024	% of the Total	30 June 2023	% of the Total
Under one year	2,444,854	100%	3,407,550	100%
Total (to tie to totals above)	2,444,854	100%	3,407,550	100%

25. Refundable Deposits from Customers/Students

Description	30 June 2024		30 June 2023	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	1,749,000		1,272,000	
Other refundable deposits	-		-	
Total Deposits	1,749,000		1,272,000	
Ageing analysis:	30 June 2024	% of the Total	30 June 2023	% of the Total
Under one year	477,000	27%	713,000	56%
1-2 years	713,000	41%	559,000	44%
2-3 years	559,000	32%	-	%
Total (to tie to totals deposits above)	1,749,000	100%	1,272,000	100%

26. Employee Benefit Obligations

The College contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The College's obligation under the scheme is limited to specific contributions legislated from time to time

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and is currently at 12% of the gross salary per month(6% employer contribution and 6% employee contribution).

27. Payments received in advance.

Description	30 June 2024		30 June 2023	
	Kshs		Kshs	
Fees received in advance	5,460,662		4,398,208	
Others (Specify)	-		-	
Total	5,460,662		4,398,208	
Ageing analysis:	30 June 2024	% of the Total	30 June 2023	% of the Total
Under one year	5,460,662	%	1,727,436	39%
1-2 years	-	%	2,670,772	61%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	5,460,662	%	4,398,208	100%

28. Cash generated from operations.

	30 June 2024	30 June 2023
	Kshs	Kshs
Surplus for the year	15,133,756	13,380,460
Adjusted for:		
Depreciation	2,181,405	2,472,626
Non-Cash grants received	-	-
Contributed assets	-	(2,071,255)
Working Capital Adjustments		
Increase in Inventory	-	-
Increase in Receivables	(14,905,961)	(20,229,112)
Increase in Payables	(485,696)	4,659,227
Increase in Payments received in advance	1,062,454	633,769
Net Cash Flow from Operating Activities	2,985,958	(1,154,285)

29. Financial Risk Management

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

(i) Credit risk

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

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

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Receivables from exchange transactions	29,216,462	29,216,462	-	-
Receivables from non-exchange transactions	5,342,000	5,342,000	-	-
Bank balances	712,908	712,908	-	-
Total	35,266,370	35,266,370	-	-
At 30 June 2024				
Receivables from exchange transactions	44,122,423	44,122,423	-	-
Receivables from non-exchange transactions	5,342,000	5,342,000	-	-
Bank balances	3,693,866	3,693,866	-	-
Total	53,158,289	53,158,289	-	-

Financial risk management (continued)

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	-	594,000	2,813,550	3,407,550
Total	-	594,000	2,813,550	3,407,550
At 30 June 2024				
Trade Payables	-	2,444,854	-	2,444,854
Total	-	2,444,854	-	2,444,854

(iii) Market risk

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

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

iv) Capital Risk Management

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

Description	30 June 2024	30 June 2023
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	39,130,114	23,996,358
Capital Reserve	61,900,000	61,900,000
Total Funds	101,030,114	85,896,358
Total Borrowings	-	-
Less: Cash and Bank Balances	(3,693,866)	(707,908)
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	0%	0%

30. Related Party Balances

Nature of related party relationships

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

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

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

Description	30 June 2024	30 June 2023
	Kshs	Kshs
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	-

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B) Purchases from related parties		
Purchases of electricity from KPLC	579,574	339,622
Purchase of water from govt service providers	105,660	45,240
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	685,234	385,042
b) Grants /Transfers from the Government		
Grants from National Govt	11,096,925	7,121,000
Grants from County Government	200,000	-
Donations in Kind	-	-
Total	11,296,925	7,121,000
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	-	-
Payments for Goods and Services for XX	-	-
Total		
d) Key Management Compensation		
Directors' emoluments	975,000	1,804,200
Compensation to Key Management	-	-
Total	975,000	1,804,200

31. Events After the Reporting Period

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

32. Ultimate And Holding College

The College is a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

33. Currency

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

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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 to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue(Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/CRRO/KTVC/2021-2022-1-01-1065-23/	Transfers from other government entities	Variances in the Financial statements has been amended	Jonathan Yator Accountant	Not Resolved	By 30 th June 2024
OAG/CRRO/KTVC/2021-2022-1-01-1065-23/	Non-disclosure of capital risk and related party transactions	The management has amended the financial statements	Jonathan Yator Accountant	Not Resolved	By 30 th June 2024
OAG/CRRO/KTVC/2021-2022-1-01-1065-23/	Receivables from exchange transactions	The management has amended the financial statements	Jonathan Yator Accountant	Not Resolved	By 30 th June 2024
OAG/CRRO/KTVC/2021-2022-1-01-1065-23/	Property, plant and equipment i)land ownership	The management commits to fast tract the process of title deed acquisition by requesting the donating institution to facilitate land transfer	Joseph Bitok Principal	Not resolved	By 30 th June 2024
OAG/CRRO/KTVC/2021-2022-1-01-1065-23/	Property, plant and equipment ii)Donated furniture,motor vehicle,computers and related	The institution is planning to conduct valuation of its assets, land and buildings.	Joseph Bitok Principal	Not resolved	By 30 th June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue(Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	equipment				
OAG/CRRO/KTVC/2021-2022-1-01-1065-23/	Property, plant and equipment iii)Depreciation of property,plant and quipment	The management has amended the financial statements	Jonathan Yator Accountant	Not Resolved	By 30 th June 2024
OAG/CRRO/KTVC/2021-2022-1-01-1065-23/	Property, plant and equipment iv.ownership of the college land rover with registration no. GKA363U	The management to engage the NGCDF to transfer the log book	Joseph Bitok Principal	Not resolved	By 30 th June 2024
OAG/CRRO/KTVC/2021-2022-1-01-1065-23/	Property, plant and equipment v)lack of handing over report for tuition block and dormitory	The management commits to make a follow up of request to mentoring institution(RVIST) to hand over the tuition block and NGCDF KEIYO NORTH	Joseph Bitok Principal	Not resolved	By 30 th June 2024
OAG/CRRO/KTVC/2021-2022-1-01-1065-23/	Property, plant and equipment vi)Anomalies in fixed asset register	The management commits to engage the services of a government valuer. Additionally register and code assets appropriately	Joseph Bitok Principal	Not resolved	By 30 th June 2024
OAG/CRRO/KTVC/2021-2022-1-01-1065-23/	Property, plant and equipment vii)Tagging of fixed	The management commits to label and tag the assets	Joseph Bitok Principal	Not resolved	By 30 th June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue(Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	assets				
OAG/CRRO/KTVC/2021-2022-1-01-1065-23/	Property, plant and equipment viii)misclassification of management information system	The management has reclassified the management information system(MIS) as an intangible asset in the financial statements.	Jonathan Yator Accountant	Not Resolved	By 30 th June 2024
OAG/CRRO/KTVC/2021-2022-1-01-1065-23/	Report on lawfulness and effectiveness in use of public resources	1. The management commits to adhere to the timelines during submission of future financial statements 2. The management commits to put in place appropriate measures to ensure employment or appointments done by the institution represent the diversity of the people of kenya as per national cohesion and integration act, 2008 3.The management commits to put in place an approved human resource plan and staff establishment to guide human capital budgeting and recruitment of staff	Joseph Bitok Principal	Not resolved	By 30 th June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue(Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/CRRO/KTVC/2021-2022-1-01-1065-23/	Report on effectiveness of internal controls, risk management and governance	<ol style="list-style-type: none"> 1. The management commits to undertake an MOU with a government institution to engage their internal auditor in our college internal audit functions. The management had engaged the management of the Eldoret National polytechnic to assist in the internal audit of our institution 2. The management is committed in developing a risk management policy and submit to the board of govenors for approval 3. The management commits to establish exclusive server room and have it within its 	Joseph Bitok Principal	Not resolved	By 30 th June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue(Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		staff establishment a dedicated ICT officer to manage and support ICT systems 4. The management commits to develop creditors management policy			



.....
Joseph K. BITOK

PRINCIPAL
Date 14.03.2025

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Appendix II: Projects Implemented by The Kipsoen Technical and Vocational College

Projects

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

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

Status of Projects completion

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

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Appendix III- Inter-Entity Confirmation Letter



KIPSOEN TECHNICAL & VOCATIONAL COLLEGE

Off Eldoret-Iten Road.

P.O. BOX 344-30700 ITEN

TEL: 0797 868 786

Email: kipsoentvc@gmail.com

Website: www.kipsoentvc.ac.ke



Name of transferring entity...State department of technical,vocational,education and training.....

Name of beneficiary entity...Kipsoen technical and vocational college.....

The Kipsoen technical and vocational college wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Kipsoen technical and vocational college as at 30th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
3032	05/10/2023	2,733,500		2,733,500	Capitation
4476	18/01/2024	3,031,000		3,031,000	Capitation
5826	02/02/2024	3,464,000		3,464,000	Capitation
3824	05/06/2024	1,868,425		1,868,425	Capitation
5727	19/02/2024	1,491,595.80		1,491,595.80	Scholarship
5766	27/02/2024	67,189		67,189	Scholarship
Total				12,655,710	

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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 ...Bitok K Joseph..... Sign  Date...14.03.2025...

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A	N/A	N/A	N/A						

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
N/A	N/A	N/A	N/A	N/A	N/A	N/A