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Enhancing Accountability



REPORT

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OF

THE AUDITOR-GENERAL

ON

**THE NDARAGWA TECHNICAL AND
VOCATIONAL COLLEGE**

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



OFFICE OF THE AUDITOR GENERAL
NYERI REGIONAL OFFICE
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NDARAGWA 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)

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
P.E	Personal Emolument
LTT	Local Transport & Travel
EWC	Electricity, Water & Conservancy
RMI	Repairs, Maintenance and Improvement
NHIF	National Hospital Insurance Fund
NSSF	National Social Security Fund
KUCCPS	Kenya Universities and Colleges Central Placement Service
TVET	Technical Vocational Education and Training

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

Ndaragwa Technical and Vocational College is located in Leshau Pondo ward, Nyandarua North sub-county in Nyandarua County. The college is situated along Nyahururu-Nyeri road near Kamukunji Trading Centre approximately 20km from Nyahururu or 80km from Nyeri. The college was established under the TVET Act 2013 and started operations in January 2021. The college is domiciled in Kenya and has no branches. The College is under the Ministry of Education.

(b) Principal Activities

The principal activity of Ndaragwa TVC is to equip learners with knowledge and skills in vocational training to enable them become self - reliant and active participants in the country's economic growth.

i. Vision

To be a centre that delivers relevant technological training, enables innovation, and contributes to Kenya's industrial development.

ii. Mission

To be a “factory” of young graduates who build and apply technology to build things that Kenyans need.

iii. Strategic Objectives

- To produce competent and competitive workforce
- To provide adequate infrastructure for quality service delivery
- To develop innovative products that will meet the needs of the community.
- To enhance trainee welfare
- To improve organizational performance

(c) Key Management

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

- Board of Governors
- Accounting officer/ Principal
- Management

Key Entity Information and Management (Continued)

(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	Margaret Muthoni Njega
2.	Deputy Principal	Omwamba Naftal Onderi
3	Registrar	James Gichuhi Ndungu
4	Accountant	Samuel Macharia Kariuki

(e) Fiduciary Oversight Arrangements

Academic & Infrastructure Board Committee:

The Committee monitor the curriculum implementation and academic performance of the College and the infrastructural needs of the college.

Finance, Planning and Human Resource Board Committee:

The Committee is appointed by the Board to oversee the formulation and implementation of the budget, strategic plan and the human resource management matters including recruitment and discipline of staff.

Risk, Audit and Risk Management Committee:

The committee monitor the integrity of the financial statements of the College, review the College's internal financial controls systems and oversee the internal audit function.

Senior Management:

Senior management comprise of Principal, Deputy Principal, Registrar and the Accountant. The senior management is appointed by the Principal in consultation with the Board and are responsible in the overall running of the College.

Middle Level Management:

The middle level management report direct to the senior management. They comprise of Head of Departments and Head of Clubs such as Drama and football. The management is responsible in day to day running of their departments and sections.

Key Entity Information and Management (Continued)

(f) Entity Headquarters

P.O. Box 5-20306
Nyeri-Nyahururu Road
NDARAGWA, KENYA

(g) Entity Contacts

Telephone: (254) 798042246
E-mail: ndaragwatvc2@gmail.com
Website: www.ndaragwatvc.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
P.O. Box 164-20300
Nyahururu





(i) Independent Auditors

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

(j) Principal Legal Adviser


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

3.The Board of Governors





SN.	Member	Details
1.	<p>Ignatius Wambugu Thige</p> 	<ul style="list-style-type: none"> ➤ He is the chairman to the board ➤ Date of birth 26th September, 1972 ➤ Highest Qualification - MBA ➤ Work Experience – CEO at Fast mobile connections (K) Ltd.
2.	<p>Amos Gichinga Gachuri</p> 	<ul style="list-style-type: none"> ➤ He is the chairman to the Finance, HR and planning committee. ➤ Date of birth: 30th March, 1978 ➤ Highest Qualification - MBA/CPA K ➤ Work Experience – He is a senior Industry Manager at Msingi East Africa Ltd.
3.	<p>Richard Mwangi Gatembu</p> 	<ul style="list-style-type: none"> ➤ He is the chairman of Academic & Infrastructure committee ➤ Date of birth 30th September, 1970 ➤ Highest Qualification - Masters in Sociology Education ➤ Work Experience - Administration and management of TVET programs as well as professional programs in the Institute of Technical and Professional Studies, Dedan Kimathi University of Technology.
4.	<p>James Kibet Arap Too</p> 	<ul style="list-style-type: none"> ➤ He is the chairman of Audit and Risk Management committee and a member of the Academic & Infrastructure committee ➤ Date of birth 21st January, 1966 ➤ Highest Qualification - BSc Agricultural Engineering ➤ Work Experience – He is an executive director , Bilat Fodder Masters (BFM)

Ndaragwa Technical and Vocational College

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

<p>5.</p>	<p>Pauline Wangithi Mureithi</p> 	<ul style="list-style-type: none"> ➤ She is a member of the Finance, HR and planning, Academic & Infrastructure committee ➤ Date of birth 7th February, 1979 ➤ Highest Qualification - MSc- Geothermal energy technology. ➤ Work Experience – She is an Industrial Training Officer at National Industrial Training Authority (NITA)
<p>6.</p>	<p>Felix Juma Onyango</p> 	<ul style="list-style-type: none"> ➤ He is a member of the Finance, HR and planning committee. ➤ Date of birth 16th July, 1989 ➤ Highest Qualification -Bsc Software Engineering. ➤ Work Experience – He is an IT Consultant at M-Shamba Mobile Limited (STL)
<p>7.</p>	<p>Peter Kaume</p> 	<ul style="list-style-type: none"> ➤ He is the Nyandarua County Director TVET ➤ Date of birth: 1972 ➤ Highest Qualification – Masters in Education ➤ Work Experience _25 yrs
<p>8.</p>	<p>Margaret Muthoni Njega</p> 	<ul style="list-style-type: none"> ➤ She is the Secretary to the Board/ Principal ➤ Date of birth 2nd February 1966 ➤ Highest Qualification – MBA ➤ Work Experience – She is the principal, Ndaragwa Technical and Vocational College.

4. Key Management Team

SN	Member	Details
1.	<p>Margaret Muthoni Njega</p> 	<ul style="list-style-type: none"> ➤ She is the Secretary to the Board/ Principal ➤ Highest Qualification – MBA
2.	<p>Omwamba Naftal Onderi</p> 	<ul style="list-style-type: none"> ➤ He is the Deputy Principal ➤ Highest Qualification- Bachelor of Education (Technology Education)
3.	<p>James Gichuhi Nd'ungu</p> 	<ul style="list-style-type: none"> ➤ He is the Actg. Registrar ➤ Highest Qualification- Higher Diploma in Technical Education
4.	<p>Samuel Macharia Kariuki</p> 	<ul style="list-style-type: none"> ➤ He is the Accountant ➤ Highest Qualification- CPA Section 5

5. Chairman's Statement

I am honoured to report on the FY 2023/2024 as the Chairman Board of Governors for Ndaragwa Technical and Vocational College. I am proud to note that the college has made great strides in becoming a premier TVET institution. The college continues to strengthen her corporate governance environment by instituting sound policies. In the year under review, the college developed the Academic, Finance, HR and Risk management policies.

During the year under review, the college managed to acquire additional lecture chairs and additional training materials and tools in hairdressing and beauty therapy department, Building and Electrical departments. Training materials and equipment for Automotive and Hospitality departments which were introduced in May 2024 have been acquired to ensure quality training. I take note that students' population has grown tremendously over the year due to an aggressive marketing strategy adopted throughout the year.

I take note that the College received capitation and scholarship during the year under review from the Government through the Ministry of Education. I take this opportunity to thank the Government for the support both financial and policy direction. I also note that the funds together with the fees collected directly from the trainees was prudently utilised as it is evidenced in the financial statements in this report. The college continues to endeavour to maximize output with the limited resources but the missing out on scholarship grants and capitation grants really hampered the operations. I urge the Ministry to look into ways of supporting the college to enable it expand the much needed infrastructure in the FY 2024-2025.

Finally, I wish to note that the Board of Governors was instrumental in the realization of the achievements made by the College during the year. I wish to sincerely thank all the members of the Board for their oversight role and visionary guidance as we steer the college to even greater heights.

SIGN



Chairman, Board of Governors

Date.....17/04/2025.....

6. Report of the Senior Principal

The College is in her fourth year of existence and I am happy to report that the College has recorded growth in trainee population, programmes as well as the training facilities. During the year under review, the College like all other organizations and sectors operated under very difficult socio-economic circumstances which saw funding decrease while the cost of operations continued to increase. However, I wish to note that the College was able to manage its programs in a way that did not compromise service delivery. The first batch of students was admitted in March 2021. Since then the enrolment has grown to 660 as at 30th June 2024.

The College presented 13 candidates for the November/December 2023 examination and registered 100% pass. The college also presented 105 candidates for the March/April 2024 examinations which registered 70% pass for the KNEC candidates. The college registered 39 candidates for the July 2024 examinations. I express my heartfelt gratitude to the training and administrative staff for their selfless efforts in ensuring that training and the overall curriculum implementation was successful. During the year under review, the college had 8 PSC trainers and 9 trainers under BOG terms of engagement. The recruitment process of an additional 7 PSC trainers was undertaken towards the end of the period. On this note, I sincerely thank the Government through the Ministry of Education for the relentless efforts in ensuring that the College is staffed while at the same time request for more staff to reduce the wage bill that is becoming unsustainable.

During the FY 2023/2024, the college managed to procure additional tools, materials and equipment in Hairdressing and Beauty Therapy, Plumbing, Electrical, Fashion & Design, Hospitality and Automotive departments. The College also procured additional 150 lecture chairs and installed CCTV cameras in the premises for surveillance to enhance security.

On repairs and improvement, I wish to report that the College fenced the front part and landscaping was done partially due to the limited resources.

During the year under review, the College received capitation for the four quarters from the Government through the Ministry of Education though not in full. I take this opportunity to thank the Government for the support both financial and policy direction. I also note that the funds together with the fees collected directly from the trainees was prudently utilized as it is evidenced in the financial statements in this report.

In regard to the Human Resource Management, the College recruited a Secretary and a Supply Chain officer. The Accountant, Supply Chain officer, Registrar, Deputy Principal and the Principal attended capacity building workshops at various times during the year.

The institution faces several challenges including lack of student accommodation facilities, high rate of student drop out, poor road infrastructure thereby not breaking even. There is delayed

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

disbursement of capitation and HELB loan, lack of training equipment and tools especially in the newly introduced courses, and staffing challenges- lack of adequate government trainers.

The management intends to introduce more market driven courses and engage financing agencies such as the National Government-Constituency Development Fund for infrastructural development funding. Plans are underway to start income generating activities to boost the financial base of the college.

Finally, I wish to sincerely thank the Chairman Board of Governors and the members for their oversight and guiding role in steering the College in the right direction.

SIGN

.....
.....

Principal/Secretary BOG

Date.....14/04/2025.....

7. Statement of Performance against Predetermined Objectives

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1 Competent and Competitive workforce	To produce competent and competitive workforce	3 courses added: -3 Artisan -3 craft certificate - 2 Diploma -New Courses attracted trainees -additional training tools and equipment	-Introduction of additional courses -Marketing of courses -acquire training tools and equipment	-Automotive level 4,5&6 -Building level 4,5&6 -Food production(culinary arts) levels 4 &5
Pillar 2 Infrastructural Development	To provide adequate infrastructure for quality service delivery	-Fencing -150 lecture chairs acquired -Landscaping -CCTV -Equipment and tools in plumbing, hair dressing, electrical, Automotive, Hospitality and building were procured as per requisitions from departments	-Enhance security -Enhance the quality of training through provision of practical materials -Avail training equipment, tools and materials	-Landscaping phase one -Fencing phase one -Accounting Software installed -CCTV cameras installed to enhance security -Equipment and tools for Automotive and Hospitality departments acquired
Pillar 3 Innovation and community service	To develop innovative products that will meet the needs of the community	No major achievement in this area Hoping to focus more on it in future	N/A	N/A
Pillar 4 Trainees Welfare	To enhance trainee welfare	-Suggestion box installed	-Appoint and train guidance and	-Drama club established -Sports club -CU club

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		-Establishment of Students clubs	guidance and counselling forums	
Pillar 5 Organizational Capacity	To improve organizational performance	- Organizational structure in place -BOG Staff Salary scale -Academic policy -HR policy -Finance policy -Annual financial report submitted on time - Remittance of statutory dues	-Establish organizational structure - Enhance efficiency -Determine staff establishment -Develop institutional policies -Engage competent trainers -Compliance with statutes	-Academic, Finance, Risk management and HR policies in place -Career progression in place -Staff code of conduct -Strategic plan -Disciplinary procedure and rules and regulations in place -Trainers competitively recruited

8. Corporate Governance Statement

The Board of Governors of Ndaragwa TVC consists of seven members appointed by the Cabinet Secretary, Ministry of Education and comprise a Chairman, a representative of Principal Secretary, Ministry of Education, and five other persons appointed on the basis of their knowledge and experience. The Principal of Ndaragwa TVC is the Secretary to the Board and the Board met twice during the year.

The Board of Governors has three sub-committees, these are, Academic & Infrastructure, Finance, HR and planning committee and Audit & Risk management Committee.

Functions of the Board of Governors include:

- The Board Discuss and approves the budget for each financial year. The Board approves financial reports for every year. The Board negotiates and approves performance contracts for each year;
- The Board administer and manage property of the Institution;
- The Board develop and implement the College Strategic Plan;
- The Board determine the fees payable and method of payment;
- Receive on behalf of the Institution, fees, grants, subscriptions, donations, bursaries;
- Recruit and appoint trainers from among qualified professionals;
- Determine suitable terms and conditions of service for support staff, trainers and remunerate staff of the College;
- Provide the welfare of the students and staff of the College;
- Prepare annual financial statements and submit to the relevant authority

The Board has developed a board charter to guide its operations and spell out the terms of reference for the three committees. The Board members were inducted at the beginning of their term and the board remuneration was set as reimbursement of transport during the first full board meeting where the chairman was to be reimbursed Kshs. 15,000 and members Kshs. 10,000 for each meeting attended. The board is committed to high level of integrity and is in the process of developing a code of conduct and ethics

9. Management Discussion and Analysis

Section A

The entity's operational and financial performance

The students' population stood at 660 students as at 30th June 2024 as represented by each department;

- i. Building & Civil Engineering Department – 184 students
- ii. Electrical and Electronics Dept. - 167 students
- iii. Hairdressing & Beauty Therapy Dept. - 112 students
- iv. Fashion & Design Dept.- 90 students
- v. ICT Dept. - 59 students
- vi. Automotive Dept. – 23students
- vii. Hospitality Dept. – 25 students

Section B

Entity's compliance with statutory requirements

The College has complied with the statutory requirements. The College is fully accredited with TVETA. All statutory remittances are paid to the respective authorities in due time.

Section C

Key projects and investment decisions the entity is planning/ implementing.

The college undertook a fencing project Phase 1 in order to secure the facility and the front part was landscaped. The college procured additional 150 lecture chairs due to the increased student population. The college installed CCTV surveillance system to enhance security and there is also a plan to construct an Ablution block due to the growing student population. The college is also planning to start an income generating project in Clothing Technology.

The above projects will be financed by savings realized through prudent financial management of internal funds.

Section D

Major risks facing the entity

The College has not managed to enrol students to its full capacity due to the fact that accompanying amenities need to be established which has not been possible due to the low enrolment and undisbursed capitation funds. In addition, the receivables amounting to Kshs. 8,211,738 is a risk in case they are not recovered since it would affect the operations. The College has not managed to employ an internal auditor and Human Resource Officer to carry out the respective functions as recommended by law.

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

Management Discussion and Analysis (Continued)

Section E

Material arrears in statutory/financial obligations

The College has no major pending supplier payments. The staff salary deductions are remitted to the respective institutions as they fall due.

Section F

The entity's financial probity and serious governance issues

The College has no governance issue.

10. Environmental and Sustainability Reporting Statement

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

Sustainability strategy and profile

The vision of the College is to be a centre that delivers relevant technological training, enables innovation and contributes to Kenya's Industrial development. To ensure sustainability of adequate reliable water supply and save on water bill, the college have installed gutters around the building to harvest rain water.

Environmental performance

The college engaged the community on a tree planting exercise during different times in the year. Tree nursery seedbeds have been prepared and are being nurtured to support the Governments Agenda in Greening TVETs. The college manages its waste by disposing as recommended by the relevant authority.

Employee welfare

The College has developed BOG staff salary scale, staff code of conduct and Disciplinary procedures and is in the process of developing Human Resource Manual, Career progression guidelines and scheme of service for the management of employee welfare.

Market place practices-

The College engage in fair competition while marketing its training courses. Trainers and trainees are engaged in meetings held by local administration (chief barazas) to market the college. The College is involved in TVET Institutions sports and athletics activities and have managed to procure some sport items and

The College suppliers are fairly treated and payments for goods and services supplied are paid within the contract terms as funds become available.

Corporate Social Responsibility / Community Engagements

The College engaged trainers, trainees and the community on a tree s planting exercise during different times of the year as part of its corporate social responsibility during the financial year.

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

11. Report of the Board of Governors

The Board of Governors submit their report together with the financial statements for the year ended 30th June, 2024, which shows the state of Ndaragwa TVC affairs.

Principal activities

The principal activities' of Ndaragwa TVC is to provide Technical and Vocational Education and Training.


Board of Governors

The members of the Board who served during the year are shown on page vi.

Auditors

The Auditor General is responsible for the statutory audit of the college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of Ndaragwa TVC Financial Statements for the year ended June 30, 2024.

By Order of the Board



Secretary of the Board
Nairobi
Date:

12. Statement of Board of Governors Responsibilities

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

The Board members are responsible for the preparation and presentation of Ndaragwa TVC financial statements, which give a true and fair view of the state of affairs of the TVC 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 Ndaragwa TVC; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Ndaragwa TVC; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Ndaragwa TVC 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 2013). The Board members are of the opinion that Ndaragwa TVC financial statements give a true and fair view of the state of the TVC transactions during the financial year ended June 30, 2024, and of Ndaragwa TVC financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Ndaragwa TVC, which have been relied upon in the preparation of Ndaragwa TVC 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 Ndaragwa TVC will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Ndaragwa TVC financial statements were approved by the Board on 19th July 2024 and signed on its behalf by:



Name: Ignatius Wambugu Thige
Chairperson of the Board



Name: Margaret Muthoni Njega
Accounting Officer/Principal

REPUBLIC OF KENYA

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NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON NDARAGWA 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; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ndaragwa Technical and Vocational College set out on pages 1 to 22, 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 effects 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 Ndaragwa 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 (IPSAS) and comply with the Technical Training Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Examination of the financial statements for the year ended 30 June, 2024 provided for audit review revealed the following inaccuracies;

- i. Casting errors were noted in the statement of changes in net assets where accumulated fund/ surplus as at July 1, 2022 was Kshs.(5,220,017) and during that year, there was a deficit of Kshs.(7,607,848) resulting in a total of Kshs.(12,827,865). However, the statement reflects Kshs.(7,607,848) resulting in unexplained variance of Kshs.5,220,017.
- ii. The statement of changes in net assets reflects Kshs.103,979,341 in respect to total net assets as at July 1, 2023 and during the year, there was a deficit of Kshs.(3,109,470). However, due to a casting error, the statement reflects Kshs.103,114,156 as total net assets instead of the recalculated amount of Kshs.100,869,871 resulting in unexplained variance of Kshs.2,244,285.
- iii. The comparative column of the statement of cash flows reflects Kshs.6,429,030 in respect to total receipts against total payments of Kshs.6,660,651. However, the statement reflects Kshs.231,621 as net cash flows from operating activities and the recomputed amounts of

Report of the Auditor-General on Ndaragwa Technical and Vocational for the year ended 30 June, 2024

Kshs.(231,621) resulting in unexplained and unreconciled variance of Kshs.463,242.

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

2. Unsupported Transfers from Other National Government Entities

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects Kshs.3,497,828 in respect to transfers from other national government entities which includes capitation grants amount of Kshs.1,497,828 which was not supported with documents including list of students showing capitation for each student and their respective admission numbers as validated by KUCCPS and approved by the institution's board of governors.

In the circumstances, accuracy and completeness of the balance of Kshs.1,497,828 in respect of transfers from other national government entities could not be confirmed.

3. Valuation and Disclosure of Property Plant and Equipment

The statement of financial position reflects Kshs.89,953,659 in respect to property, plant and equipment which did not include the value of land. However, the college sits on a parcel of land measuring approximately 7 acres whose value has not been determined and disclosed in the financial statements. In addition, the amount of Kshs.89,953,659 includes Kshs.58,383,380 and Kshs.30,353,470 representing the historical costs of buildings and plant and equipment respectively. Management did not provide a breakdown to show the nature and values of individual buildings and plant and equipment adding up to the value disclosed.

In the circumstances, the accuracy, and completeness of property, plant and equipment balance of Kshs.89,953,659 could not be confirmed.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis of Kshs.24,277,253 and Kshs.17,051,541 respectively resulting to revenue under-realization of Kshs.7,225,712 or 30% of the budget. Similarly, the institution expended Kshs.14,315,882 against total receipts of Kshs.17,051,541 resulting to an under-expenditure of Kshs. 2,735,659 or 16% of receipts.

The underperformance affected planned activities and may have impacted negatively

Report of the Auditor-General on Ndaragwa Technical and Vocational for the year ended 30 June, 2024

on service delivery to the public.

Key Audit Matters

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

Other Information

Conclusion

The Management is responsible for the Other Information set out on page iii to xix, which comprise of Key Entity Information and Management, The Board of Governors, Key Management team, Chairman's statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, 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's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Compliance with Law on Ethnic Composition

During the year under review, the College had a total of twelve (12) staff members out of whom, eight (8) were from one ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of 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. Failure to Update Assets Register

The statement of financial position and as disclosed in Note 16 to the financial statements reflects Kshs.89,953,659 in respect to total historical cost of Property, Plant and Equipment as at 30 June, 2024. Review of the fixed assets register provided for audit revealed that critical information such as location of the assets, description, respective costs and serial numbers were not indicated in the register.

In the circumstances, the accuracy and completeness of the information in the assets register could not be confirmed.

2. Failure to Tag Assets

The statement of financial position and as disclosed in Note 16 to the financial statements reflects Kshs.89,953,659 in respect to total historical cost of Property, Plant and Equipment as at 30 June, 2024 which includes furniture and fittings and plant and equipment. However, physical inspection conducted in April, 2025 revealed that the assets in the institution were not tagged for identification. This is contrary to Regulation (139) (1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which requires accounting officers to ensure that the respective national entity has proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse, movement and conditions of assets can be tracked.

In the circumstance, institution's assets are exposed to the risk of loss or misappropriation due to weak internal controls in asset monitoring and control.

3. Weaknesses in Internal Audit Function

During the year under review, the institution neither had a functional internal audit department nor a substantively appointed internal auditor. Lack of a functional internal audit function may have resulted to inability of the college to timely detect operational risks and inefficiencies.

In the circumstances, the lack of a functional internal audit function may have resulted to inability of the organization to timely detect operational risks and inefficiencies

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance. In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

13 May, 2025

Statement of Financial Performance For The Year Ended 30 June 2024

	Notes	Period ended 30 th June 2024	Period ended 30 th June 2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	3,497,828	2,562,000
Transfers from other levels of government	7	-	9,680
		3,497,828	2,571,680
Revenue from Exchange transactions			
Rendering of services- fees from students	8	20,246,201	3,413,360
Revenue from Exchange transactions		20,246,201	3,413,360
Total Revenue		23,744,029	5,985,040
Expenses			
Use of goods and services	9	9,102,321	5,106,441
Employee costs	10	1,966,006	1,493,710
Board Expenses	11	433,530	128,700
Depreciation Expense	12	12,537,617	6,548,737
Repairs and maintenance	13	2,814,025	315,300
Total Expenses		26,853,499	13,592,888
Net surplus/(deficit) for the year		-3,109,470	-7,607,848

(The notes set out on pages 6 to 21 form an integral part of the Annual Financial Statements).

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



Chairman of Board

Date... 14/04/2025



Principal

Date... 14/04/2025



Finance Officer

ICPAK No
Date... 14/04/2025

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

Description	Notes	Period ended 30 th June 2024	Period ended 30 th June 2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	2,803,339	67,682
Current portion of receivables from exchange transactions	15	8,211,738	1,519,250
Total Current Assets		11,015,077	1,586,932
Non-Current Assets			
Property, plant, and equipment	16	89,953,659	95,282,539
Total Non-Current Assets		89,953,659	95,282,539
Total Assets (A)		100,968,736	96,869,471
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	17	66,000	133,725
Refundable deposits from customers	18	225,075	188,900
Payments received in advance	19	672,975	175,353
Total Current Liabilities		964,050	497,978
Total Liabilities (B)		964,050	497,978
Net Assets (A-B)		100,004,686	96,371,493
Represented By:			
Accumulated Surplus		-3,109,470	(7,607,848)
Capital Fund		103,114,156	103,979,341
Net Assets		100,004,686	96,371,493

The Financial Statements set out on pages 1 to 6 were signed by:


Chairman of Board

Date 14/04/2025


Principal

Date 14/04/2025


Finance Officer

ICPAK No
Date 14/04/2025

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

Description	Accumulated Fund/Surplus	Capital Grants/Fund	Total
At July 1, 2022	-5,220,017	116,807,206	111,587,189
Revaluation gain	-	-	-
Surplus/(deficit) for the year	-7,607,848	-	-7,607,848
Capital grants received during the year	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-
At June 30, 2023	-7,607,848	111,587,189	103,979,341
At July 1, 2023	-7,607,848	111,587,189	103,979,341
Revaluation gain	-	-	-
Surplus/(deficit) for the year	-3,109,470	-	-3,109,470
Capital grants received during the year	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-
At June 30, 2024	-3,109,470	106,223,626	103,114,156

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

Description	Note	Period ended 30 th June 2024	Period ended 30 th June 2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		3,497,828	3,062,000
Transfers from other levels of government			9,680
Rendering of services- fees from students		13,553,713	3,357,350
Total Receipts		17,051,541	6,429,030
Payments			
Use of goods and services		8,442,321	4,722,941
Employee costs		1,966,006	1,493,710
Board Expenses		433,530	128,700
Repairs and maintenance		2,814,025	315,300
Total Payments		13,655,882	6,660,651
Net Cash Flows from operating activities		3,395,659	231,621
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(660,000)	(383,500)
Net cash flows used in investing activities		(660,000)	(383,500)
Cash flows from financing activities			
Net Increase/(Decrease) in Cash and Cash equivalents		2,735,659	(151,879)
Cash and Cash equivalents at 1 JULY 23		67,680	682,803
Cash and Cash equivalents at 30 JUNE 24	14	2,803,339	67,682

(PSASB has prescribed the direct method of cash flow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)

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	Utilization Difference	Notes
	Kshs	Kshs	Kshs	Kshs	Kshs	%	
Revenue							
Transfers from other National Government entities	7,722,500	0	7,722,500	3,497,828	4,224,672	45%	(a)
Rendering of services- fees from students	16,554,753	0	16,554,753	13,553,713	3,001,040	81%	(b)
Total Income	24,277,253	0	24,277,253	17,051,541	7,225,712	70%	
Expenses							
Use of goods and services	11,778,860	2,550,000	14,328,860	9,102,321	5,226,539	64%	(c)
Employee costs	3,374,400	0	3,374,400	1,966,006	1,408,394	58%	(d)
Board Expenses	700,000	0	700,000	433,530	266,470	62%	(e)
Repairs and maintenance	8,423,993	(2,550,000)	5,873,993	2,814,025	3,059,968	48%	(f)
Total Expenditure	24,277,253	0	24,277,253	14,315,882	9,961,371	58%	
Surplus For the Period	0	0	0	2,735,659			

(Budget notes)

(a) Government capitation was not received in full for the four quarters.

(b) Scholarship for the new funding model trainees was not received for all the batches that Helb funds were disbursed to the college.

(c) The college spent more on rendering of services to cater for increased student enrolment.

(d) The College did not employ BOG trainers and other support staff at the beginning of the financial year as earlier budgeted due to limited resources.

(e) The Board did not meet as earlier planned due to the limited resources.

(f) The income generating and other development projects were not carried out as planned due to the limited resources.

19. Notes to the Financial Statements

1. General Information

Ndaragwa Technical and Vocational College is established by and derives its authority and accountability from TVET Act 2013. Ndaragwa TVC is wholly owned by the Government of Kenya and is domiciled in Kenya. Ndaragwa TVC's principal activity is training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis and in conformity with International Public Sector Accounting Standards (IPSAS) which allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the College accounting policies.

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

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 periods 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 cash flows of an Entity. 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

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	performance.
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>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.</p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Board on **29th June 2023**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded a re-allocation of **ksh 2,550,000** on the FY 2023/2024 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

c) Taxes

Current income tax

The entity is exempt from paying taxes.

Summary of Significant Accounting Policies (continued)

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e) Research and development costs

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

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

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

f) Changes in accounting policies and estimates

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

g) 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.

h) Related parties

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

i) 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 Kenya Commercial Bank, Nyahururu at the end of the financial year.

j) Comparative figures

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

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

Estimates and assumptions.

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

Notes to the Financial Statements (continued)

6. Transfers from other National Government entities

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	1,497,828	1,062,000
Operational Grant	2,000,000	1,500,000
Total unconditional Grants	3,497,828	2,562,000
Conditional Grants amortised/ recognised in revenue		
Total Government Grants and Subsidies	3,497,828	2,562,000

7. Transfers from Other Levels of Government

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	Kshs	Kshs
Transfer from Nyeri National Polytechnic	–	9,680
Total Transfers	–	9,680

8. Rendering of Services

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	Kshs	Kshs
Tuition fees	5,756,798	1,678,190
Activity fees	659,928	81,290
Examination fees	1,241,563	475,180
Registration fees	191,486	62,130
Administration fees	299,822	125,870
Personal Emolument fees	2,103,072	381,150
Local Transport & Travel fees	679,632	128,150
Electricity, Water and Conservancy fees	749,352	137,890
Repair, Maintenance & Improvement fees	463,020	61,340
Insurance fees	269,901	42,900
Attachment fees	314,700	90,740
Practical fees	124,364	54,920
Trainee ID fees	179,000	14,100
Caution money fees	194,575	23,500

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KUCCPS Placement fees	175,500	-
TVETA Registration fees	151,000	-
Accrued Revenue from exchange transactions	6,692,488	56,010
Total Revenue from The Rendering of Services	20,246,201	3,413,360

9. Use of Goods and Services

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	Kshs	Kshs
Teaching and learning materials	1,515,020	1,656,951
Industrial attachment costs	18,970	18,000
Electricity	162,000	75,000
Water	11,300	6,500
Security	396,000	396,000
Subscriptions-KATTI Activities	473,082	120,400
Advertising	382,960	49,300
Examination fees	955,450	414,610
Catering, Conferences, and delegations (Hospitality)	135,574	60,485
Printing and stationery	208,430	85,075
Finance Cost (Bank & Transaction charges)	14,069	9,026
Postage	15,830	7,725
Telephone expenses (Airtime)	120,500	72,225
Internet expenses	109,571	69,600
Cleaning expenses	10,650	5,735
KUCCPS Placement fees	165,000	-
Other Administration expenses	819,679	537,249
Travelling and accommodation	1,316,600	1,470,900
Insurance	16,000	5,500
Activity expenses	563,070	-
Practical expenses	616,966	46,160
Trainee ID expenses	179,100	-
Training, Seminars & Workshops expenses	896,500	-
Total good and services	9,102,321	5,106,441

10. Employee Costs

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	Kshs	Kshs
Salaries and wages	1,708,224	1,439,830
Employee related costs - contributions to pensions and medical aids	257,782	53,880
Employee Costs	1,966,006	1,493,710

Notes to the Financial Statements (continued)

11. Board Expenses

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	Kshs	Kshs
Chairman's Honoraria	172,500	15,000
Directors Emoluments	220,000	102,000
Other Board Expenses (Meals)	41,030	11,700
Total	433,530	128,700

12. Depreciation Expense

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	Kshs	Kshs
Property, Plant and Equipment	12,537,617	6,548,737
Total	12,537,617	6,548,737

13. Repairs and Maintenance

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	Kshs	Kshs
Fencing	1,107,250	-
Landscaping	676,680	-
Software Installation	348,000	-
CCTV Installation	400,000	-
General Maintenance	282,095	315,300
Total Repairs and Maintenance	2,814,025	315,300

14. Cash and Cash Equivalents

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	Kshs	Kshs
Current Account	2,742,182	62,425
Others	61,157	5,257
Total Cash and Cash Equivalents	2,803,339	67,682

Notes to the Financial Statements (continued)

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

Financial Institution	Account number	Period ended 30 th June 2024	Period ended 30 th June 2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1289932131	2,742,182	62,425
Sub- Total		2,742,182	62,425
b) Others			
Cash in Hand		61,157	5,257
Sub- Total		61,157	5,257
Grand Total		2,803,339	67,682

15. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	Kshs	Kshs
Current Receivables		
Student Debtors	8,211,738	1,519,250
Total Current Receivables	8,211,738	1,519,250

(b) Ageing Analysis of Receivables from Exchange transactions

Description	Period June 30 2024		Period ended 30 th June 2023	
	Kshs	% of total	Kshs	% of the total
	Current FY	% of total	Comparative FY	% of the total
Less than 1 year	6,692,488	81%	1,519,250	100%
Between 1- 2 years	1,519,250	19%	-	-
Total	8,211,738	100%	1,519,250	100%

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Notes to the Financial Statements (continued)

16. Property, Plant and Equipment

Cost	Building	Office Equipment	Furniture and fittings	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	
At 1 July 2022	61,419,119	79,625	-	39,536,668	101,035,412
Additions	159,715	28,000	524,940	108,680	821,335
At 30 th June 2023	60,039,364	94,172	459,323	34,689,680	95,282,539
Additions	-	60,000	600,000	-	660,000
At 30 th June 2024	58,538,380	134,901	926,908	30,353,470	89,953,659
Depreciation And Impairment					
At 1 Jul 2023	(1,539,470)	(13,453)	(65,617)	(4,930,197)	(6,548,737)
Depreciation	(1,500,984)	(19,271)	(132,415)	(4,336,210)	(5,988,880)
At 30 th Jun 2024	58,538,380	134,901	926,908	30,353,470	89,953,659
Net Book Values					
At 30 th Jun 2023	60,039,364	94,172	459,323	34,689,680	95,282,539
At 30 th Jun 2024	58,538,380	134,901	926,908	30,353,470	89,953,659

GOK Equipment USD 412,019 @ Ksh. 109,6667 (Average exchange rate in year 2021)

Cost of the equipment = ksh.45,184,764

Cost of Building, final contract Sum = ksh.62,993,968

Additional 2 EPSON 3210 Printers were procured during the year amounting to ksh 60,000 and 150 Lecture Chairs amounting to Ksh 600,000

Assets have not been revalued in the period under review and since the college started operations. The value of Land is not included in the statements since valuation will be done by a qualified valuer once funds are available. The Building, Equipment, Furniture's and fittings have been recognized at Cost less accumulated depreciation for the year.

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Notes to the Financial Statements (Continued)

17. Trade and Other Payables

Description	Period ended 30 th June 2024		Period ended 30 th June 2023	
	Kshs		Kshs	
Trade payables	66,000		133,725	
Total Trade and Other Payables	66,000		133,725	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	-%	133,725	100%
1-2 years	66,000	100%	-	-
Total	66,000	100%	133,725	100%

18. Refundable Deposits from Students

Description	Period ended 30 th June 2024		Period ended 30 th June 2023	
	Kshs		Kshs	
Caution money	225,075		30,500	
Other refundable deposits (Helb Funds)	-		158,400	
Total Deposits	225,075		188,900	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	194,575	87%	181,900	%
1-2 years	23,500	10%	7,000	%
2-3 years	7,000	3%	-	%
Total	225,075	100%	188,900	%

19. Payments received in advance.

Description	Period ended 30 th June 2024		Period ended 30 th June 2023	
	Kshs		Kshs	
Fees received in advance	672,975		175,570	
Total	672,975		175,570	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	567,495	84%	175,570	100%
1-2 years	105,480	16%	-	%
Total	672,975	100%	175,570	100%

Notes to the Financial Statements (Continued)

20. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	1,519,250	1,519,250	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	62,425	62,425	-	-
Total	1,581,675	1,581,675	-	-
At 30 June 2024				
Receivables from exchange transactions	8,211,738	8,211,738	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	2,742,182	2,742,182	-	-
Total	10,953,920	10,953,920	-	-

Notes to the Financial Statements (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 college has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

(ii) Liquidity risk management

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

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 (previous year)				
Trade Payables	-	-	66,000	66,000
Total	-	-	66,000	66,000
At 30 June 2024 (current year)				
Trade Payables	-	-	66,000	66,000
Total	-	-	66,000	66,000

(iii) Market risk

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

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

Notes to the Financial Statements (Continued)

Market risk (continued)

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

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Trade and Other Payables	66,000	-	66,000
Net Foreign Currency Asset/(Liability)	66,000	-	66,000

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

b) Interest rate risk

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

Management of interest rate risk

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

iv) Capital Risk Management

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

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	Kshs	Kshs
Retained Earnings/Accumulated surplus	-3,109,470	-7,607,848
Capital Reserve/Fund	103,114,156	103,979,341
Total Funds	100,004,686	96,371,493
Less: Cash and Bank Balances	(2,803,339)	(67,682)

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Net Debt/(Excess Cash and Cash Equivalents)	97,201,347	96,303,811
Gearing	0.94%	0.98%

Notes to the Financial Statements (Continued)

21. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	Period ended 30 th June 2024	Period ended 30 th June 2023
	Kshs	Kshs
Transactions with Related Parties		
B) Purchases from related parties		
Purchases of electricity from kplc	154,430	76,000
Purchase of water from govt service providers	18,870	5,500
Training and conference fees paid to govt. agencies (KATTI)	637,582	150,500
Total	810,882	232,000
a) Grants /Transfers from the Government		
Grants from National Govt	3,497,828	3,062,000
Total	3,497,828	3,062,000
b) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Ndaragwa TVC Employees	1,966,006	1,493,710
Payments for Goods and Services for Ndaragwa TVC	9,102,321	5,106,441
Total	11,068,327	6,600,151
c) Key Management Compensation		
Directors' emoluments	433,530	128,700
Total	433,530	128,700

Notes to the Financial Statements (Continued)

22. Events After The Reporting Period

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

23. Ultimate And Holding Entity

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

24. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The college has not been audited by Auditor General.

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Appendix II: Projects Implemented by Ndaragwa Technical and Vocational College

Projects

Projects implemented by the college in FY 2023/24.

Project title	Period/ duration	Budget	Actual
1. Fencing Phase 1	2 months	1,200,000	1,107,250
2. Landscaping Phase 1	4 months	1,173,993	676,680
3. Software Installation	1 month	350,000	348,000
4. CCTV Installation	1 month	400,000	400,000
Total		3,123,993	2,814,025

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity ~ **Ministry of Education**


Name of beneficiary entity ~ **Ndaragwa Technical and Vocational College**

P.O. BOX 5-20306, CELLPHONE: 0798042246
 E-Mail: ndaragwatvc2@gmail.com

Confirmation of amounts received by Ndaragwa Technical and Vocational College as at 30 th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
***	11/07/2023	500,000	-	500,000	Received
***	02/10/2023	395,500	-	395,500	Received
***	02/10/2023	500,000	-	500,000	Received
***	18/01/2024	500,000	-	500,000	Received
***	18/01/2024	381,500	-	381,500	Received
***	05/02/2024	500,000	-	500,000	Received
***	05/02/2024	436,000	-	436,000	Received
***	31/05/2024	284,828	-	284,828	Received
Total		3,497,828	-	3,497,828	

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

Head of Accounts Department – Ndaragwa Technical and Vocational College:

Name Samuel Machanz Karimuri Sign  Date 14/04/2025

Appendix IV: Reporting of Climate Relevant Expenditures

The College did not incur climate relevant expenditures.

Appendix V: Reporting on Disaster Management Expenditure

The College did not incur disaster related expenditure during the year.