


REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 14 JUN 2023	DAY: WED
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CLERK AT THE TABLE: ESTHER NGUNYO	

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REPORT

OF

THE AUDITOR-GENERAL

ON

**SAMBURU TECHNICAL AND
VOCATIONAL COLLEGE**

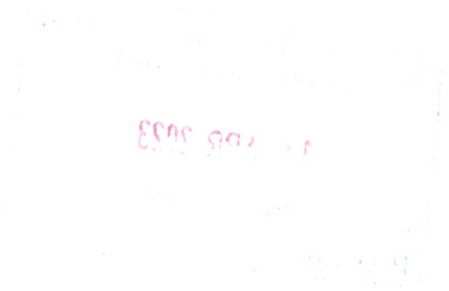
**FOR THE YEAR ENDED
30 JUNE, 2022**



SAMBURU TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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



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I. Key College Information and Management

(a) Background information

The SAMBURU TECHNICAL AND VOCATIONAL COLLEGE was incorporated/established under the TVET Act in June 2019. The college is domiciled in Kenya and is under the Ministry of Education.

The college has various departments namely; Mechanical & Automotive Engineering, Electrical and Electronics Engineering, Building and Civil Engineering, Hospitality and Institutional management, Computing and Informatics, Business Studies and Entrepreneurship.

(b) Principal Activities

The Principal activity of the College is Training/Skilling.

Our **vision** is to be an institution of choice for the provision of quality TVET that is responsive to the needs of society and the demands of the economic sector.

Our **mission** is to provide market driven, quality training and research in TVET by creating, preserving and disseminating knowledge, skills and competencies for commerce and industry.

Our **core values** are Integrity, Teamwork, Professionalism, Efficient Customer Care, Inclusivity, Creativity and Innovativeness.

(c) Key Management

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

- i. Board of Governors
- ii. Accounting officer/ Principal
- iii. Management Organs
- iv. Heads of department

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	LUCY KARURU MUTEMBEI
2.	Deputy principal	JOHN MWORIA MUGAMBI
3.	Registrar	KIPYEGON VINCENT
4.	Dean of students	KIMATHI KELVIN KOOME
5.	Head of Finance	IKALE MORESCHI NGUCHU

Key The College Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

- **Audit and risk committee activities-** Ensure there are proper internal controls to safeguard institute assets and financial resources.
- **Academic/Welfare committee** activities include overseeing the academic performance and welfare of students, staff and BOG members

(f) College Headquarters

Samburu Technical and Vocational College,
P.O. Box 935-60300,
Isiolo, Kenya

(g) College Contacts

Telephone: (254) 792 359280/0115825172
E-mail: info@samburutechnical.ac.ke
Website: www.samburutechnical.ac.ke

(h) College Bankers

Equity Bank,
Meru Makutano Branch,
P.O. Box 3137-60200,
Meru, Kenya.

Kenya Commercial Bank,
Isiolo Branch,
P.O Box 178-60200,
Meru, Kenya.



(i) Independent Auditors



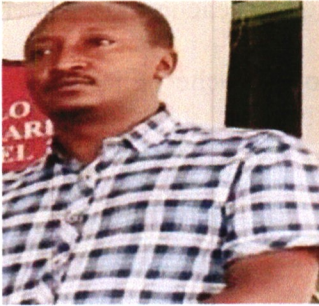
Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

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





II. THE BOARD OF GOVERNORS

Director's passport-size photo and name, key profession/academic qualification	Directors date of birth, key qualification and work experience
 <p>1. Name: Prof Elyjoy Micheni Profession: lecturer Academic Qualification: PHD Information Technology</p>	<p>Date of Birth: 23rd November 1963 Qualifications: PHD Information Technology</p> <p>Experience: 2022- Ag DVC Academics, Research and Students Affairs Tom Mboya University 2021-Associate Professor, Department of Management Science and Technology The Technical University of Kenya. 2016- Senior Lecturer The Technical University of Kenya. 2002- 2016- Lecturer The Technical University of Kenya. 2002-2010- Part Time Lecturer Kenyatta University. 1988-2002- Graduate Teacher Aga Khan High School. 1987-1988- Graduate Teacher Gikumene Secondary School.</p>
 <p>2. Name: Anne Gichohi Profession: Teacher Academic Qualification: Masters in Business Management</p>	<p>Date of Birth: 1970 Qualification: Masters in Business Administration</p> <p>Experience 2018 – Date – Education Consultant 2020 – Jan 2023 BOG Member Samburu TVC 2013-2017 CEC Education Kiambu County Government</p>
 <p>3. Name: Olivia Kamau Profession: Accountant Academic Qualification: Masters of Arts in Project Management</p>	<p>Date of Birth: 15th October 1984 Qualification: Masters of Arts in Project Planning</p> <p>Experience: 2020 to date- Chief Financial Officer Leracy Group Limited. 2018-2020- Grants Accountant Northern Rengelands Trust 2014-2018- Principal Accountant Turkana County Government. 2012- 2014 Finance Officer Ministry of East Africa Affairs. 2011-2012 Audit Assistant Wood Vale Associates, Certified Public Accountant. 2007-2010 Programme Coordinator Christ Aid Kenya.</p>

 <p>4. Margaret Nduhiu Profession: Educationist Qualification: Masters Degree in Education (planning)</p>	<p>Date of Birth: 1964</p> <p>Qualification: Masters Degree in Education (planning)</p> <p>Experience: 2014 to date- CD-TVET 2008-2014- Education Officer 1989-2008- Trainer</p>
 <p>5. Name: Mavan Lesanjir Profession: Hospitality Academic Qualification: Masters in Project Planning and Management</p>	<p>Date of Birth: 31st December 1977</p> <p>Qualification: Masters in Project Planning and Management</p> <p>Experience 2014-date Business Man 2007 – 2013 – Manager Sereolipi Nomadic Educational Trust</p>
 <p>6. Name: Jimmy Munene Profession: Engineer Academic Qualification: BSc Civil Engineering</p>	<p>Date of Birth: 22nd September 1982</p> <p>Qualification: BSc Civil Engineering</p> <p>Experience: 2016 to date – Assistant Resident Engineer Kenya Rural Roads Authority 2013-2015 Project Manager Southern Engineering Company Ltd. 2010-2012- Site Engineer Construction of Karich –Amok Piny-Panyijar Road in Southern Sudan 2009 to 2010 Assistant Engineer Adroit Civil Engineering Co. Ltd 2008 to 2009- Assistant Engineer H. Young Construction & Co Ltd. 2006 Trainee Engineer Intex Construction Ltd.</p>

 <p>7. Name: Mildred Ajumbo Profession: Nutritionist Academic Qualification: Masters in Business Administration</p>	<p>Date of Birth: 7th January 1968</p> <p>Qualification: Masters in Business Administration</p> <p>Experience: 2013 – 2017 Director Nairobi County Government</p>
 <p>8. Name: Lucy Karuru Mutembei Profession: Trainer Academic Qualification: MSc HRD</p>	<p>Date of Birth: 18th August 1971</p> <p>Qualification: MSc HRD</p> <p>Experience 2019 to date- Principal Samburu TVC March 2019-June 2019 – Deputy Principal Administration and Finance 2018- march 2019- Deputy Principal Academics 2015-2018- Dean of Students 2014 – 2015 Research & Development Coordinator 2007 to 2013 Human Resource Management Office Coordinator</p> <p>2010 – 2011- Registry Coordinator Jan 2010-April 2010- Deputy Quality Assurance Officer 2001 - 2009 – Meru Achool -Teacher, Class teacher, Drama/Music Patron and swimming Coach 1994 – 2002- Chuka Boyss High School Teacher, Class Teacher, Drama/Music Patron and Swimming Coach</p>

III. MANAGEMENT TEAM

Name of the Staff	Responsibility
 <p>Lucy Karuru Mutembei MSc HRD</p>	<p>Chief Principal/BOG Secretary</p>
 <p>John Mworia BSc Building and Technology</p>	<p>Deputy Principal</p>
 <p>Vincent Kipyegon Higher Diploma in Electrical Engineering</p>	<p>Ag. Registrar</p>
 <p>Kelvin Koome BSc IT</p>	<p>Ag. Dean of Students</p>

 <p data-bbox="153 488 517 557">Ikale Moreschi Certified Public Accountant</p>	<p data-bbox="759 389 963 421">Finance Officer</p>
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IV. CHAIRMAN'S STATEMENT



I want to start by asserting that I feel glad and blessed to have been challenged to Chair the founding Board of Governors for Samburu Technical and Vocational College. My special gratitude goes to the appointing Cabinet Secretary, my team of Board of Governors, our Secretary- the Senior Principal Samburu TVC and all stakeholders who supported us on the journey of starting a new TVC from 0 trainees to a bench mark college. Secondly, let me take this opportunity to highlight on key initiatives and achievements over the F/Y 2021/2022 especially on economic performance, training, finances, operations and risks affecting the college as well as the future outlook.

ECONOMIC FOCUS

The Board of Governors has developed a strategic plan as well as policies and institutional frame works to focus the running of the college to be in line with Kenya vision 2030, the Big 4 Agenda and sustainable development goals.

As a Board of Governors we appreciate the government for providing state of the art equipment, a transformer that has ensured three phase connectivity to the national grid, capitation and HELB Loan for our trainees and recruitment of public service employed trainers for the college. All these factors have been pivotal towards increased trainee enrolment and impacting of relevant quality skills enabling the college align its trainees and graduates to the competitive local, regional and global trades in the world of work.

SUCCESS

Samburu TVC has experienced continual growth since its inception in June 2019 despite the vagaries of the covid 19 pandemic that disrupted normal operations in the economy. In the F/Y 2021/2022, the college witnessed positive growth in trainees' population owing to intensive and extensive strategic marketing as well as support from all stakeholders. The government focus on TVET skilling through availing capitation and HELB loans as well as capping of fees payable also played a key role in enabling the youth access technical education. This favoured upcoming institutions including Samburu TVC.

Moreover, during the F/Y 2021/2022, the college managed to undertake the following development and improvements to ensure quality effective and efficient service delivery.

- i. Construction of the power plinth.
- ii. Construction of the power house.
- iii. Purchase of the LV switchboard.

- iv. Fencing the tuition area with angle line, barbed wire and chain link.
- v. Purchase and installation of additional solar panels.
- vi. Painting the exterior of all buildings at the college.
- vii. Partitioning one of the major halls to create a staff room, two classrooms and a restaurant.

The Board is committed to excellence in line with our mission “**to provide market driven, quality training and research in TVET by creating preserving and disseminating knowledge, skills and competencies for commerce and industry**” we are therefore, committed to churn out competent skilled youth to the economy as well as become a centre of excellence in provision of competent skills for innovation and development.

The Board is also committed to putting structures in place to make the college attractive to the large ASAL region in order to play a key role in skilling the youth thus ending the perennial cattle wrestling and bandit menace. This shall be achieved by providing the youth with alternative sources of income and a meaningful livelihood through competent technical skills. In addition, the board recruited five trainers to support those recruited through the public service commission.

To ensure a spirit of research, Samburu TVC has participated in trade fairs. Also the college has committed to nurturing originality, creativity and talent development through participation in drama, music, sports and other co curriculum activities. In these areas the college has performed well winning trophies and medals at both the regional and the national level. Moreover, the college has had exemplary performance at all levels in the external examinations. This implies Samburu TVC is actively playing its role in ensuring the country has enough artisans and technicians to drive industrialization as envisioned in the Kenya Vision 2030 and the Big 4 agenda.

CHALLENGES FACED

Being located in an ASAL region, Samburu TVC is face by a myriad of challenges. I am therefore, going to highlight only the most critical that if not arrested can derail the young institution or compromise competent skills training outcomes.

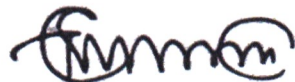
Firstly, during the year, the effects of the Covid 19 pandemic created financial challenges for the college as it struggled to ensure mitigation strategies. The college has limited access to clean water and mainly relies on purchasing water from water buzzers. The college also witnessed exponential growth in trainee population thus straining existing infrastructures. The Board has however, faced these challenges positively by increasing the number of water storage tanks and partitioning of existing large room to increase the number of classrooms. The college also was not connected to the national grid. This was overcome through support from the ministry with a three phase power transformer. The Board supported this initiative by constructing a power house, constructing a transformer plinth, buying a standard LV switchboard as per the recommendations from Kenya Power and Lightening Company and ensuring the college is connected to the national grid.

OUTLOOK

As we close the F/Y 2021/2022, I wish to appreciate the Board of Governors, the top management, all trainers and trainees of Samburu TVC for their unwavering support, commitment and optimism towards realising our strategic objectives and in line with our strategic plan. I also wish to appreciate all key stakeholders of Samburu TVC for their continued support and assure them that we shall aspire to use all resources availed to us towards improving the college infrastructure within the set government frameworks.

Moving forward, Samburu TVC is committed to creating MOUs with stakeholders as well as collaborating with other colleges both locally and internationally where opportunities arise to ensure that our trainees continue to receive competent skills. This shall ensure self-sustainability among our youths.

Finally, I wish to commit that Samburu TVC looks forward to greater achievements in the coming years as she strives to play her role in availing technical skills to the ASAL regions of the country. It has taken grace to witness the fast growth we have witnessed. As a Board we commit to giving all the technical and moral support to ensure the growth trajectory is sustained. The future of this gem in the desert is bright and we look forward to a time when Samburu TVC will be synonymous with acquisition of technical skills in Samburu County and the country at large.



Prepared By:

Prof Elyjoy Muthoni Micheni
Chairman Board of Governors
Samburu TVC

V. REPORT OF THE PRINCIPAL



Samburu Technical and Vocational College was operationalized in 2019 with the posting of the founding Principal in June 2019. The first group of 79 trainees was enrolled in September 2019. Since then, the college has grown exponentially with the trainees' population rising to over 722 by 30th June 2022. This is despite a myriad of challenges that have faced the college including the Covid 19 pandemic that disrupted learning in all institutions.

Moreover, Samburu TVC is the first Technical Training Institute in Samburu County and became a huge blessing to many youths who could not go to far off colleges to get technical education due to financial constraints.

In addition, Samburu TVC is very well placed to offer competitive and relevant skills to her trainees that will result in technical skills for self-sustainability. The college envisions graduates who have adequate relevant skills that have prepared them to be job creators thus playing a vital role in industrialization and economic development of our County and the Country at large. The vision of the college is **“to be an institution of choice for the provision of TVET, that is responsive to the needs of the society and demands of the economic sector”** In furtherance of this vision, the college has committed itself to regularly and consistently monitor, evaluate, review and improve its academic programmes to ensure competitiveness, quality and relevance in the attainment of its set mandate.

Consequently, under the stewardship of its first Board of Governors, the college has committed to setting up structures and policies to help guide the college towards a strategic achievement of its vision and core mandate.

Under my administration as the founding Principal and the guardianship of our founding Board of Governors, we have ensured efficiency and effectiveness in financial management despite the many constraints that were occasioned by Covid 19 pandemic and the resulting economic meltdown. In addition, Samburu TVC has aspired for excellence in the discharge of its core mandate in training, research, skilling, outreach and co-curricular activities.

HIGHLIGHT OF F/Y 2021/2022 PERFORMANCE

The F/Y 2021/2022 saw exponential growth at Samburu TVC. This was driven by the fact that technical education was receiving maximum support from the government of Kenya. All enrolled trainees who were successfully validated by KUCCPS qualified for a government capitation of Ksh. 30,000. Those with national idcollege cards also qualified for HELB loan of Ksh. 40,000 with KSh 26,420 being sent directly to the college as fees. With fees in all TVET institutions capped at Ksh. 56,420, it became possible for beneficiaries to acquire technical skills at minimum cost. It also meant that all trainees whose opportunities for training had been hampered by financial constraints finally had an opportunity to acquire technical skills.

The fact that the college was receiving lumpsome fees from government structures also made it possible for Samburu TVC to have a sustainable pool of resources for upgrading its skilling facilities.

Trainees at Samburu TVC have also benefited immensely from funding by other government agencies such as NGOs, CDF, County bursaries and also the community conservancies in Samburu county. The college has therefore received immense support from its key stakeholders including hotels in the conservancy who have allowed trainees to benefit by upskilling their skills through attachment and internships. The college is therefore properly positioned to attain its motto **“Technical Competence for Innovation and Development”**

STUDENTS ENROLLMENT

The covid 19 pandemic affected enrolment at Samburu TVC immensely though the January 2020 intake had started well. From the initial intake of 79 trainees in September 2019, the trainee’s population rose to 722 in the F/Y 2021/2022. Consequently, the year closed at 722 that was slightly above the expected enrolment for the F/Y 2021/2022 that had been projected to be 300. This positive growth resulted from strategic marketing and was a positive achievement but it also put a lot of pressure on the existing facilities at the college.

PROJECTS AND IMPROVEMENTS UNDERTAKEN

The management of Samburu TVC acknowledges that a good ambience will attract and retain both employees and trainees (customers). To achieve this in the financial year 2021/2022, the college undertook various projects and improvements aimed at improving the facilities and the public image of Samburu TVC. Consequently, the Board managed to;

- viii. Construct power plinth.
- ix. Construct power house.
- x. Purchase LV switchboard.
- xi. Fence the tuition area with angle line, barbed wire and chain link.
- xii. Purchase and installation of additional solar panels.
- xiii. Paint the exterior of all buildings at the college.
- xiv. Partition one of the major halls to create a staff room, two classrooms and a restaurant.

All these among others have been achieved using savings realized from internally generated funds. Moreover, the college received a transformer through the ministry of education resulting in three phase power connectivity. In addition, the area MP financed the construction of a modern gate and a temporary fence to mark the boundaries of the college land. These improvements have seen Samburu TVC witness high trainee enrolment as well as enabled the college increase the number of courses on offer. This has boosted the student population thus growing the colleges revenue streams.

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DEPARTMENTAL EQUIPMENT

The college is indebted to the government of Kenya for availing refrigeration and air conditioning equipment to the college as well as modern spacious workshops and other facilities. To enhance training and increase the number of courses on offer, the college's managed to equip the following departments in the F/Y 2021/2022 using internally generated funds.

- i. Automotive and Mechanical Engineering Department
- ii. Building and Construction Department
- iii. Electrical and Electronics Department
- iv. Hair Dressing and beauty (Cosmetology) Department
- v. ICT Department
- vi. Tourism and Hospitality Department

This commitment to avail necessary training equipment is in line with the colleges motto "Technical Competence for Innovation and Development"

SAMBURU TVC's CONTRIBUTION TO THE BIG 4 AGENDA

Samburu TVC has aspired to equip its youth with relevant and market driven skills at artisan, craft and diploma levels in various skill areas. The college is also committed to a practical skills driven training to ensure trainees receive competitive competences for innovation and development. This means the college has strategically aligned itself to ensure its trainees are able to take up opportunities within the country, regionally and internationally while also contributing to the realization of the Big 4 Agenda through availing required skilled manpower.

Samburu TVC is the first Technical Training Institute in Samburu County and has committed to enhance its performance, visibility and competitiveness as a college of choice for those aspiring for technical education in the country. To achieve this, the college has worked hard to have projects and improvements using internally generated funds. However, the college requires adequate support by all stakeholders including the government in terms of development funding, material funding and other contributions. This shall ensure that the growth in structures and facilities is able to match the exponential growth in population.

Finally, on behalf of the college Board of Governors, I take this opportunity to thank the government for the continued support for our trainees through HELB loan and government capitation. I also thank the area MP, and by extension the CDF office, the community conservancies and all other stakeholders who have in one way or another continued to offer support for our trainees and the college. I also appreciate the stewardship of the Board of Governors that has ensured continual growth of the college. Gratitude also goes to our staff, the trainees and the student leaders for their cooperation, understanding and commitment to ensuring the college becomes a benchmark college for other upcoming colleges in the county. May God bless us all as we continue serving God through service to humanity. I look forward to a prosperous F/Y 2022/2023 for each of us individually and our college collectively.

Prepared by: *MICOX* Date: *28/09/2022*

Lucy Karuru Mutembei MIHRM
Senior Principal/BOG Secretary

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

Samburu Technical & Vocational College has 7 strategic pillars and objectives within its Strategic Plan for the FY 2021/2022- 2026/2027. These strategic pillars are as follows:

1. To promote quality market-driven TVET programmes
2. To develop the physical infrastructure of the college
3. To attract and retain competent and highly motivated workforce
4. To strengthen resource mobilization, monitoring and evaluation of technology-driven management information system.
5. To enhance distinct corporate image of the organization
6. To promote quality and efficient service delivery
7. To develop technical competence, creativity, research and innovation

Samburu Technical & Vocational College develops its annual work plans based on the above 7 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Samburu Technical & Vocational College aspired to achieve its performance targets set for the FY 2021/2022 period for its 7 strategic pillars, as indicated in the diagram below:

Strategic	Objective	Strategy	Key Performance Indicators	Activities	Achievements
Quality market-driven	Diversify quality market-driven TVET programmes	Introduce new market-driven TVET programs	Identify places that would attract more trainees	Market TVET programmes in those places	More trainees enrolled.
Increase of the Infrastructure	Upgrade and increase the infrastructure	Improve the physical facilities and equipment	Budget for the project approved BQ Project management committee	Prepare budget for the project Prepare BQ s for project manage the project	Create more classes by partitioning the former staffroom into four classes.
Strengthen Resource Mobilisation	Strengthen organization development and capabilities.	Collaborations with government and donors	Prepare proposals for grants		The students have been receiving capitation grants from state department of TVET, HELB loans and

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					Bursary from Conservancies and County Government
Attract and retain highly motivated staff	Ensure the staff are adequate, competent and highly motivated	Recruit qualified staff	Advertise positions List of the shortlisted candidates Skills gap analysis	Advertise positions for BOG staff Liaise with the PSC for meeting gaps in teaching staff	Advertisement, shortlisting and recruitment of the following positions were done Administrative Assistant, Receptionist, Catering and Accommodation trainer, Automotive engineering trainer

Distinct Image of the College	Improve institution corporate governance/management	Develop and implement institutional policies, strategies and programmes	Identify policies List of the committees Draft policies Approved policies	Key policies identified working committee appointed by the policy draft policies presented to the board for approval	Develop finance management manual and policy, scheme of service and career progression board charter Human resource policy/manual.

VII. CORPORATE GOVERNANCE STATEMENT

Samburu Technical and Vocational College Board adheres to principles of openness, integrity and accountability in its stewardship of the College's affairs. It recognizes the developing nature of corporate governance and assesses the College's compliance with generally accepted corporate governance practice on regular basis, directly and through its full board and board committees. The role of the Board is to ensure conformance by focusing on and providing the College's overall strategic direction and policy-making as well as performance review through accountability and ensuring appropriate monitoring and supervision. The Board is also responsible for the overall system of internal control and for reviewing its effectiveness. The controls are designed to both safeguard the college's assets and ensure the reliability of financial information

The College meets regularly to consider issues of operational and strategic importance to the college. Below are the key features of the existing corporate governance practices within Samburu TVC.

1. College Board

The College Board consist of the Chairman and seven members, who have been appointed in accordance with the TVET Act (2013). The full board meets at least once before four months lapse in a year and the board committee members meet as need arises.

The Board is responsible for setting the direction of the college through the establishments of strategic objectives, keys policies and approval of budgets. It monitors the implementation of the strategic and policies through a structured approach of reporting by management and consequent accountability.

The Board is actively involved and brings strong independent judgement on its deliberations and discussions. The College Board members have diverse skill set, a wide range of knowledge and experience of college setting that are applied in the formulation of strategic objectives and decision-making. The Board meets regularly and retains full and effective control over the college in all strategic, financial, operational and compliance areas.

As a Board, we believe that a strong corporate governance framework and culture translates to a strong institute that delivers its mandate. According to the TVET Act, 2013 members of the board of governors are appointed by the Cabinet Secretary Ministry of Education from the following areas;

- a). Leadership
- b). Financial management
- c). Industry
- d). Technology
- e). ICT
- F). Engineering

The board also seeks other committees to carry responsibilities required in the governance of the college

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The following committees have been in the college.

Academic /Welfare

1. Anne Gochohi- Chairperson
2. Mavan Lesanjir

s

Finance /Human Resource

1. Jimmy Munene – Chair
2. Mildred Ajumbo

Audit Committee

1. Olivia Kamau- Chair
2. Margaret Nduhiu

The following are Board functions as out lined in the TVET Act.

1. Overseeing the conduct of education and training in the institutions in accordance with the provisions of the TVET Act.
2. Promoting and maintaining standards quality and relevance in advocating and training in the institution in accordance with the act and any other written law.
3. Administering and managing the property of the college
4. Developing and implementing the colleges strategic plan
5. Preparing annual estimates of the revenue and expenditure of the college
6. Receiving on behalf of the institution fees, grants and other monies.
7. Determining fees payable and prescribing conditions under which fees may be remitted in part or whole in accordance with the guideline developed under the provisions of this act.

During the year 2021/2022 the table below shows the number of board and committee meetings held.

Meetings	No of board meetings	Meetings held
Full board	4	5
Academic committee	4	4
Finance /HR Committee	4	4
Audit committee	4	3
Total	16	16

2. Board Members' Remuneration

The Board members transport and accommodation cost whenever they attend board meetings was approved by the Full Board

3. Succession Plan

The Board of Governors has a succession plan of three years and a member can serve for a maximum of two terms.

4. Board Charter

Samburu TVC has a draft Board Charter. The Board is also guided by Mwongozo Code of Governance.

5. Appointment and Removal of Board Members

Board members are appointed by the Cabinet Secretary. The membership of the Board of Governors comprises of;

- a) Chairperson
- b) Representative of Principal Secretary in the Ministry responsible for TVET.
- c) Representative of County Governor of the County within which the institution is located
- d) Six other persons appointed on basis of their knowledge and experience.

A member of board of governors may at any time resign by giving notice in writing to the Cabinet Secretary.

6. Induction and Training

Current Samburu TVC Board of Governors was inducted within the month of August 19th 2021

7. Conflict of Interest

In every board meeting held by Samburu TVC Board, members are advised to declare conflict of interest on matters in the agenda and register the same in the conflict of interest register.

8. Ethics and Conduct

Samburu TVC board members uphold the highest standard of ethics and conduct while executing their mandate.

9. Governance Audit

The Board has put in place a combination of processes and structures to inform, direct, manage and monitor the activities of the college towards achievement of its objectives.

10. Internal Controls

The College has implemented and maintained internal controls designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard and maintain accountability of the colleges' assets.

11. Going Concern

The College Board confirms that Samburu TVC has adequate resources to continue in operation for the foreseeable future and therefore, the continued use of going concern as a basis of preparing financial statements.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

Samburu TVC has an ERP System put in place by the management to handle the following areas in the process of ensuring there are proper internal controls in place.

1. Financial management
2. Student registration
3. Examination management
4. Procurement and store control

During the year the student enrollment increased from student population of 481 to 722 students. The management has recruited additional staff in both academic and support staff to ensure smooth learning of operations. The college has received a lot of support from the government through the ministry of education by receiving capitation and HELB funds.

During the F/Y 2021/2022 the management constructed power house, first phase of painting the exterior of the college, fencing of the college land and additional solar panels.

During the F/Y 2021/2022 the college faced the following challenges

1. Human Wildlife Conflict.
2. Limited Infrastructure.
3. Means of transport to both trainers and trainees is a challenge
4. Accommodation for students around the college is a challenge
5. Clean drinking water
6. Shortage of trainers

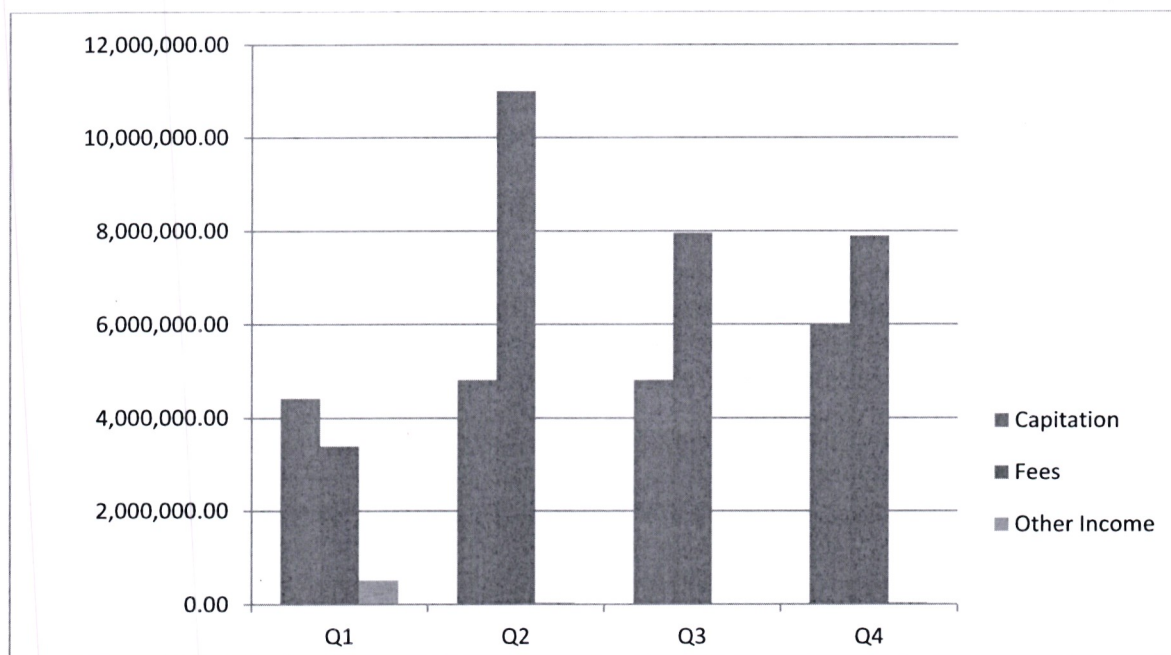
The College's Operational and Financial Performance

The recurrent and development operations of the college were affected by delaying disbursement of capitation where the capitation for 3rd quarter of FY 2020/2021 was received in 1st quarter of FY 2021/2022 and capitation for 1st,2nd, and 3rd quarter of FY 2021/2022 was received in 2nd, 3rd and 4th quarter of FY 2021/2022 respectively. Capitation for 4th quarter of FY 2021/2022 was not received hence treated as student's debtors as per the government directive.

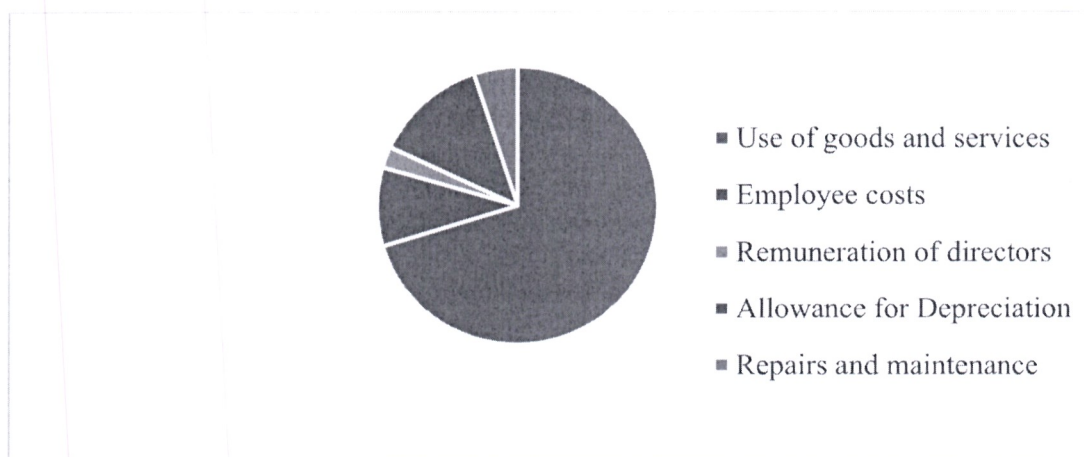
Income analysis per quarter is illustrated in the following table and graph;

	Capitation	Fees	Other Income
Q1	4,417,500.00	3,394,380.00	517,400.00
Q2	4,807,500.00	10,994,659.00	36,700.00
Q3	4,807,500.00	7,953,987.00	21,050.00
Q4	5,992,500.00	7,897,041.00	31,500.00

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



Recurrent expenditure Analysis for FY 2021/2022



S/No	EXPENSES	AMOUNT (KSHS)
1.	Use of goods and services	17,600,548.00
2.	Employee costs	2,283,550.00
3.	Remuneration of directors	612,800.00
4.	Allowance for Depreciation	3,243,423.00
5.	Repairs and maintenance	1,275,955.00
	TOTAL	25,016,276.00

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

Sustainability strategy and profile -

The top management has ensured compliance to government directives.

Environmental performance

The management has partnered with the community, trainers and trainees in planting of trees.

The college aims to ensure that the needs of the population are met without the risk of compromising the needs of future generations. The college commits to reduce environmental impact through greening programmes that involves planting of trees and flowers during rainy seasons. The College also manages various types of waste bin at various points within the college. Our research, training and other activities are guided by our commitment to environment sustainability. There are also a number of technological areas for research, teaching, community engagement and processes, allowing us to focus and measure our efforts in making a difference to society.

Employee welfare

The management has developed a committee to deal with the issues related to the staff welfare. Samburu TVC focuses on the importance of anyone directly or indirectly involved in the core mandate of training. We encompass the development of skills and human capacity to support the functions and sustainability of the institution and to promote the wellbeing of communities and society.

There is a human policy manual that guides on hiring, appraisal and training of staff. This manual also ensures that our staff are trained and well equipped to handle all emerging issues. We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviours of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We also 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.

Market place practices-

Samburu TVC outlines its efforts to:

- a) Ensures fair choice of suppliers through advertisement of tenders in the media and college website.
- b) Put in place complaints box and suggestion box to report corruption related issues and complaints from our customers.
- c) Responsible competition practice- Our institution ensures there is responsible competitiveness by making suitable development count in global and local markets.
- d) Research on Market demand has helped us offer terms that would shape business strategies and practices, and the context in which they operate, to take explicit account of their social media, economic and environment impacts.
- e) responsible marketing and advertisement – in order to ensure we have ethical balance; we reach out to students beyond boundaries by advertising on our website and other national media. We also get students placed to college by KUCCPS.

- f) **Product Stewardship-** The college ensures that all the courses offered are accredited by the relevant bodies e.g, KNEC, NITA, CDACC. Students are also guided on ethical practices in relation to their professional field.

Corporate Social Responsibility / Community Engagements

Samburu TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 7 pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence

X. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the Samburu TVC affairs.

Principal activities

The Principal mission of the Samburu TVC is to provide market driven, quality training and research in TVET by creating, preserving and disseminating knowledge, skills and competencies for commerce and industry.

Results

The results of the College for the year ended June 30 are set out on page 1-5

Board of Governors

The members of the Board who served during the year are shown on page v, vi, vii. During the year no member of the Board retired or resigned.

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.

By Order of the Board



.....

Secretary of the Board
Samburu TVC
P O Box 935-Isiolo

XI. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

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

The Board members are responsible for the preparation and presentation of the Samburu TVC financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year ended on June 30, 2022. This responsibility includes:

(i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period.

(ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College.

(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 College.

(v) Selecting and applying appropriate accounting policies.

(vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Samburu 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 State Corporations Act, and the TVET Act). The Board members are of the opinion that the Samburu TVC financial statements give a true and fair view of the state of Samburu TVC transactions during the financial year ended June 30, 2022, and of the Samburu TVC financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the Samburu 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 the College will not remain a going concern for at least the next twelve months from the date of this statement.

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

Approval of the financial statements

The Samburu TVC financial statements were approved by the Board on 20th August 2021 and signed on its behalf by:

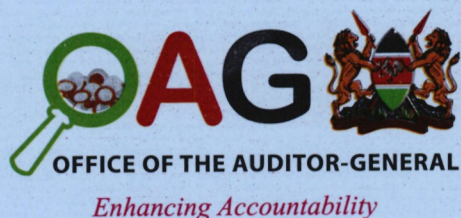


Name:
Chairperson of the Board

Name *N. K. K.*
Accounting Officer/Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 SAMBURU TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Samburu Technical and Vocational College set out on pages 1 to 33, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

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

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 Samburu Technical and Vocational College as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1.0 Long Outstanding Student Receivables

The statement of financial position and as disclosed in Note 15 to the financial statements reflects Kshs.14,281,489 in respect to receivables from exchange transactions. However, the receivables ledger provided was incomplete as it lacked dates and hence the debt age analysis could not be ascertained. No evidence was provided for review to show that the College management had put in place appropriate measures to ensure that the long outstanding debts are recovered.

In the circumstances, the accuracy, completeness and valuation of Kshs.14,281,489 in respect of student receivables could not be confirmed.

2.0 Property, Plant and Equipment

The statement of financial position and Note 16 to the financial statements reflects a balance of Kshs.77,172,671 in respect to property, plant and equipment. Review of documents provided for audit revealed that the College inherited land, machinery, office equipment and furniture and fittings of unknown value from the Ministry of Education, Science and Technology. Further, the respective assets have not been valued and the Kshs.77,172,671 is, therefore, understated by the value of the excluded assets.

In addition, the fixed assets register provided for audit review lacked key information including serial numbers of items, dates of acquisition, depreciated values, and net book values. Consequently, the register may not be a reliable document for effective control of assets and preparation of financial statements. Further, the land on which the entity sits was not included in the assets register.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.77,172,671 could not be confirmed.

3.0 Refundable Deposits from Students - Caution Money

Note 19 to the financial statements reflects Kshs.158,500 in respect to refundable deposits from customers/students which is caution money. However, the College has not opened a separate bank account where caution money should be banked. Instead the

funds are deposited in the College's main operational account. There is possibility that the funds may be used for operational purposes.

In the circumstances, accuracy and existence of the refundable deposits balance of Kshs.158,500 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2022 reflects an approved receipts budget of Kshs.101,161,000 and actual receipts of Kshs.54,370,017 resulting to a revenue shortfall of Kshs.46,790,983 or 46% of the budget.

Similarly, the college spent Kshs.28,575,097 against a budget of Kshs.101,161,000 resulting to an under expenditure of Kshs.72,585,903 or 72% of the budget. The budget shortfall is an indication that some programs and activities that had been planned were not implemented.

In the circumstances, the under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Board Charter

During the year under review, the College did not have a Board Charter as required by Mwongozo, (The code of Governance for State Corporations) Chapter 1.11(1) on Board of Directors which states that; the Board should develop and adopt a Board Charter to define the role, responsibilities and functions of the Board in the governance of the organization.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Control, 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 overall governance were not effective.

Basis for Conclusion

1.0 Failure to Institute Internal Audit Arrangements

The College did not have an internal audit section to carry out internal audit functions contrary to Section 73(1)(a) of the Public Finance Management (PFM) Act, 2012 which stipulates 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.

In the circumstances, the College was in breach of the law and the College's system of internal control had no proper checks and balances.

2.0 Lack of Risk Management Policy and Other Policies

Available information shows that the Management did not develop a risk management policy to guide it on risk assessment and formulation of risk mitigation strategies in the year under review. This is contrary to Regulation 165(1)(a)(b) of the Public Finance Management Act (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

Further, the College did not have an asset management policy to ensure proper management of assets and does not have a human resource department or an officer trained and experienced in human resource management.

In the circumstances, it has not been possible to confirm whether the internal controls built within the financial and operational systems were functioning as intended.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

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

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

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

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's

ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 May, 2023

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

XIII. STATEMENT OF FINANCIAL PERFORMANCE OF THE YEAR ENDED 30th JUNE 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6(a)	20,525,000	0
		20,525,000	0
Revenue from Exchange transactions			
Rendering of services- fees from students	7	30,289,267	0
Sale of goods	8	55,750	0
		30,345,017	0
Revenue from Exchange transactions		50,870,017	0
Total Revenue			
Expenses			
Use of goods and services	9	17,600,548	0
Employee costs	10	2,283,550	0
Board /Council Expenses	11	612,800	0
Depreciation and amortization expense	12	3,243,423	0
Repairs and maintenance	13	1,275,955	0
		25,016,276	0
Total Expenses		25,016,276	0
Net surplus for the year		25,853,741	0

The Financial Statements were signed by:

.....
Chairman of Board



Date 28/09/2022

.....
Finance Officer

ICPAK No A3200/2684

Date 28/09/2022

.....
Principal

Date 28/09/2022

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

XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	12,865,886	0
Receivables from Exchange transactions	15	14,281,489	0
		27,147,375	0
Non-Current Assets			
Property, plant, and equipment	16	77,172,671	0
Intangible assets	17	634,482	0
		77,807,153	0
			0
Total Assets		104,954,528	0
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	18	2,181,278	0
Refundable deposits from customers	19	158,500	0
Total Liabilities		2,339,778	0
Net Assets		102,614,750	0
Accumulated Surplus		25,853,741	0
Capital Fund		76,761,009	0
Total Net Assets and Liabilities		102,614,750	0

The Financial Statements were signed by:



Chairman of Board

Date 28/09/2022



Finance Officer

ICPAK No A-200/2684

Date 28/09/2022

Principal



Date 28/09/2022

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

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

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2021	0	0	0	73,261,009	73,261,009
Total comprehensive income	-	-	25,853,741	-	25,853,741
Capital/development grants received during the year	-	-	-	3,500,000	3,500,000
At June 30, 2022	0	0	25,853,741	76,761,009	102,614,750

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

XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

		2021-2022	2020-2021
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants		24,025,000	0
Rendering of services- fees from students		16,497,978	0
Sale of goods		55,750	0
Other income		49,200	0
Total Receipts		40,627,928	0
Payments			
Compensation of employees		2,283,550	0
Use of goods and services		17,600,548	0
Other payments		1,888,755	0
Increase/Decrease in debtors		459,573	0
Total Payments		22,232,426	0
Net Cash Flows from operating activities		18,395,502	0
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(7,789,568)	(0)
Net cash flows used in investing activities		(7,789,568)	(0)
Cash flows from financing activities			
Increase in refundable deposits		158,500	0
Net cash flows used in financing activities		158,500	(0)
Net Increase/(Decrease) in Cash and Cash equivalents		10,764,434	(0)
Cash and Cash equivalents at 1 JULY		2,101,452	0
Cash and Cash equivalents at 30 JUNE	14	12,865,886	0



Chairman of Board



Finance Officer

ICPAK No A-55002084

Principal



Date 28/09/2022

Date 28/09/2022

Date 28/09/2022

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

XVII. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

Description	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Utilization Difference	
	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	%
Revenue												
Transfers from other govt entities and govt grants	72,000,000		(0)		72,000,000		24,025,000		47,975,000		33%	
Rendering of services- fees from students	29,161,000		(0)		29,161,000		30,289,267		-1,128,267		104%	
Sale of goods	0		-		0		55,750		-55,750		0%	
Total Income	101,161,000		(0)		101,161,000		54,370,017		46,790,983		54%	
Expenses												
Compensation of employees	8,232,400		-		8,232,400		2,283,550		5,948,850		28%	
Use of goods and services	45,872,886		(0)		45,872,886		25,678,747		20,194,139		56%	
Remuneration of directors	1,055,714		(0)		1,055,714		612,800		442,914		58%	
Grants and subsidies paid	46,000,000		-		46,000,000		0		46,000,000		0%	
Total Expenditure	101,161,000		(0)		101,161,000		28,575,097		72,585,903		28%	
Surplus For the Period	0		0		0		25,794,920		-25,794,920		0%	

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BUDGET PERFORMANCE EXPLANATION NOTES

	BUDGET	ACTUAL	UD	REMARKS
	2021-2022	2021-2022	2021-2022	
	Kshs	Kshs	%	
Transfers from other Govt entities Govt grants	72,000,000	24,025,000	33	This is high because we budgeted for a development amount of additional tuition complex and modern ablution block expected to be funded by the government but the college did not received.

XVIII. NOTES OF THE FINANCIAL STATEMENTS

1. General Information

Samburu Technical and 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/skilling.

2. Statement of Compliance and Basis of Preparation

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an College's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an College's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting College</p>

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Standard	Effective date and impact:
	<p>provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the College;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the College's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • IPSAS 39: Employee Benefits <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

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Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an College.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the college and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The 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.

Dividends

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

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

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 2020/2021 was approved by the Board on 20th August 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the Board of Governors. The additional appropriations are added to the original budget by the college upon receiving the respective approvals in order to conclude the final budget. Accordingly, the college recorded additional appropriations on the FY 2020/2021 budget following the Board's approval.

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 a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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

c) Taxes

Current income tax

The college is exempt from paying taxes.

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.

Notes to the Financial Statements (Continued)

d) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of **0** years.

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

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

e) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

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 so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the 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

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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

j) Inventories

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

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

m) 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.

n) 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 an college pays fixed contributions into a separate college (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

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

o) Foreign currency transactions

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

p) Borrowing costs

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

The college regards a related party as a person or a 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.

r) 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.

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the 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 0.

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

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
(a)Unconditional Grants		
Capitation Grants	20,025,000	0
Operational Grant	500,000	0
	20,525,000	0
(b)Conditional Grants		
SE-CDF Fencing grant	3,500,000	0
Total Government Grants and Subsidies	3,500,000	0

Notes to the Financial Statements (Continued)

7. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Student Identification Card	79,250.00	0
KUCCPS Application Fees	288,000.00	0
Registration Fees	95,100.00	0
School Equipment and Stores (SES)	14,110,000.00	0
Personal Emolument (PE)	5,724,427.00	0
Electricity Water and Conservancy (EWC)	1,693,200.00	0
Local Transport and Travelling (LT&T)	1,131,900.00	0
Repair Maintenance and Improvement (RMI)	1,411,000.00	0
Activity Fees	1,411,000.00	0
Industrial Attachment Inclusive of Medical and Insurance	1,058,250.00	0
Examination Fees	2,905,940.00	0
Project Material fees	120,000.00	0
Uniform fees	212,000.00	0
Application fees	49,200	
Total Revenue from The Rendering Of Services	30,289,267	0

NB: Fees invoiced students as per accrual accounting method

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8. Sale of Goods

Description	2021-2022	2020-2021
	Kshs	Kshs
Production income	28,750	0
Other-Sale of tender	27,000	0
Total Revenue from Sale of Goods	55,750	0

NB: Sales proceeds from hospitality students during their food practical.

Notes To The Financial Statements (Continued)

9. Use Of Goods And Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Advertising	1,600,592	0
Admin cost	2,048,296	0
Industrial attachment expenses	135,759	0
Activity expenses	681,546	0
Participation fees	578,449	0
EWC	59,000	0
Security	288,000	0
Bank charges	50,229	0
Student welfare expenses	38,500	0
Travel, motor car, accommodation, subsistence and other allowances	3,565,697	0
Training expenses – SES	8,429,480	0
Subscriptions	100,000	0
Tendering expenses	25,000	0
Total good and services	17,600,548	0

Notes to the Financial Statements (Continued)

10. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	2,283,550	0
Employee Costs	2,283,550	0

11. Board/Council Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Directors Emoluments	612,800	0
Total	612,800	0

12. Depreciation and Amortization expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	3,084,803	0
Intangible assets	158,621	0
Total depreciation and amortization	3,243,424	0

13. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Property	1,275,955	0
Total Repairs and Maintenance	1,275,955	0

Notes to the Financial Statements (Continued)

14. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account (14a)	12,865,886	0
Total Cash and Cash Equivalents	12,865,886	0

Notes To The Financial Statements (Continued)

14(a) Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
Current Account			
Kenya Commercial Bank		11,741,922	0
Equity Bank, etc.		1,123,964	0
Total		12,865,886	0

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Notes to the Financial Statements (Continued)

15. Receivables from Exchange transactions

Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student Debtors	14,281,489	0
Total Current Receivables	14,281,489	0

16. Property, Plant and Equipment

PROPERTY, PLANT AND EQUIPMENT	Land	Buildings	Furniture and fittings	Computers	Plant and Machinery	Fencing project WIP	Power House Project WIP	Total
	0.00 %	2.50%	12.50%	30%	25%			
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
NBV As at 01/07/2021	8,000,000	61,940,431	1,802,800	1,155,904	361,874	-	-	73,261,009
Additions during the period ended 30/06/2022			1,997,764	2,079,939	-	987,324	1,931,438	6,996,465
Total Assets during the period ended 30/06/2022	8,000,000	61,940,431	3,800,564	3,235,843	361,874	987,324	1,931,438	72,257,474
Depreciation and impairment								
Bal as at 01/07/2021	-	1,548,511	225,350	346,771	90,469	-	-	2,211,100
Depreciation charge during the quarter ended 30/06/2022	-	-	249,721	623,982	-	-	-	873,702
As at 30/06/2022		1,548,511	475,071	970,753	90,469	-	-	3,084,803
NBV As at 30/06/2022	8,000,000	60,391,920	3,325,494	2,265,090	271,406	987,324	1,931,438	77,172,671

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NB: The work in progress entails the fencing project funded by Samburu East Constituency and Power house and transformer plinth project funded by the college that are still progress that shall be capitalized once they are completed.

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements on 0.

16(a) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated	NBV
	Kshs	Depreciation Kshs	
Land	8,000,000	0	8,000,000
Buildings	61,940,431	1,548,511	60,391,920
Plant And Machinery	361,874	90,469	271,406
Motor Vehicles including Motorcycles	0	0	0
Computers and Related Equipment	3,235,843	970,753	2,265,090
Furniture and Fittings	3,800,564	475,071	3,325,494
Fencing project WIP	987,324	0	987,324
Power House Project WIP	1,931,438	0	1,931,438
Total	80,257,474	3,084,803	77,172,671

17. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At beginning of the year	0	0
Additions	793,103	0
At end of the year	793,103	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	158,621	0
At end of the year	158,621	0
Impairment loss	0	0
At end of the year	0	0
NBV	634,482	0

Notes to the Financial Statements (Continued)

18. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees paid in advance	1,616,878	0
Other Payables-Student welfare	564,400	0
Total Trade and Other Payables	2,181,278	0

19. Refundable Deposits from Customers/Students

Description	2021-2022	2020-2021
	Kshs	Kshs
Caution money	158,500	0
Total Deposits	158,500	0

20. 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 college'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 college 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

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the college'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 Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables from exchange transactions	14,281,489	0	0	0
Bank balances	12,865,886	0	0	0
Total	27,147,375	0	0	0

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 college has no significant concentration of credit risk.

The Board of Governors sets the college'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 BOG, 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 college 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 Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
At 30 June 2022				
Fees paid in advance		1,616,878		1,616,878
Other payable- student welfare		564,400		564,400
Caution money		158,500		158,500
Total		2,339,778	0	2,339,778

(iii) Market risk

The college has put in place strong internal controls 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 and foreign exchange rates which will affect the college's income. 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 and for the day-to-day implementation of those policies.

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

Foreign currency risk

The college has no transactional currency exposures as it has not been purchasing goods and services in currencies other than the local currency.

Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

21. 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.

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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 college, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Local community
- iv) Suppliers
- v) College trainees, sponsors and parents/guardians
- vi) Key management;
- vii) Board of directors;

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants /capitation from National Govt	24,025,000	0
Bursary from NG CDF	263,500	0
HELB	11,740,800	
Total	36,029,300	0
b) Expenses incurred on behalf of related party		
Payments of salaries and wages for BoG employees	2,283,550	0
Total	2,283,550	0
c) Key management compensation		
Directors' emoluments	612,800	0
	612,800	0
Total	38,925,650	0

22. Events After the Reporting Period

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

23. Ultimate and Holding College

The college is a under the Ministry of Education. Its ultimate parent is the Government of Kenya

24. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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**XIX. 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	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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

**Name :Lucy Karuru Mutembei
Designation:Principal/CEO
Date:**

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Appendix II: Projects Implemented by Samburu 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. Gate, sentry and fencing project	001	Samburu East CDF	10 months		NO	YES
2. Power house,plinth and LV board	001	Samburu TVC	6 months		NO	YES

Status of Projects completion

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

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1 Gate, sentry and fencing project	3,500,000	987,324	28%	3,500,000	3,500,000	Samburu East CDF
2 Power house,plinth and LV board	1,931,438	1,931,438	100%	2,420,000	1,931,438	Internally generated
3						

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Appendix III- Inter-College Confirmation Letter

SAMBURU TECHNICAL & VOCATIONAL COLLEGE



P.O. Box 935, ISIOLO

TEL: +254 792 359280

Email: info@samburutechnical.ac.ke

Website: www.samburutechnical.ac.ke



Samburu Technical and Vocational College wishes to confirm the amounts disbursed to you as at 30th June 2022 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 Samburu Technical and Vocational College as at 30th June 2022

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022			Amount Received by [beneficiary College] (KShs) as at 30 th June 2021 (E)		Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	[beneficiary College] as at 30 th June 2021 (E)	
	7/14/2021	4,417,500	0	0	4,417,500	4,417,500	
	11/23/2021	4,807,500	0	0	4,807,500	4,807,500	
	3/2/2022	4,807,500	0	0	4,807,500	4,807,500	
	6/3/2022	5,992,500	0	0	5,992,500	5,992,500	
Total		20,025,000	0	0	20,025,000	20,025,000	

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

Head of Accountants department of beneficiary College:

Name *Kale* Sign *[Signature]* Date..... *28/09/2022*

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Appendix IV: Reporting of Climate Relevant Expenditures

Name of the Organization: Samburu Technical and Vocational College
 Telephone Number: +254 792 359280
 Email Address: info@samburutechnical.ac.ke
 Name of CEO/Principal: Lucy Karuru Mutembei

Name and contact details of contact person: Lucy Karuru Mutembei +254 792 359280

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

Appendix V: Disaster Expenditure Reporting Template

Date: 30th June, 2022

College: Samburu Technical and Vocational College

Date:						
College						
Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
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 (Ksh s.)	Comments