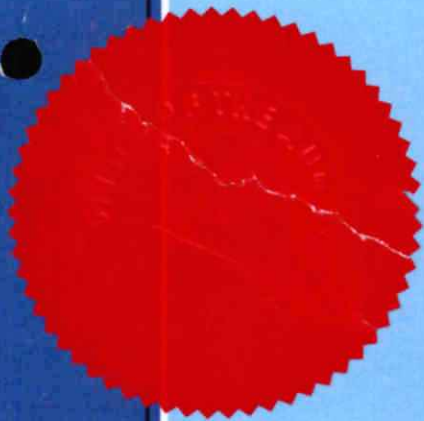


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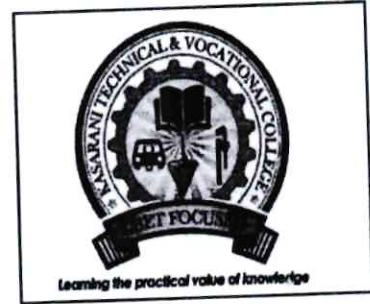
THE AUDITOR-GENERAL

ON

**KASARANI TECHNICAL AND VOCATIONAL
COLLEGE**

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

Revised 30th June 2024



KASARANI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
CBET	Competency Based Education and Training
CDACC	Curriculum Development, Assessment and Certification Council
ERP	Enterprise Resource Planning
HELB	Higher Education Loans Board
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KTVC	Kasarani Technical and Vocational College
KUCCPS	Kenya Universities and Colleges Central Placement Service
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTC	Teacher Training College
TTI	Technical Training Institute
TVC	Technical Vocational College
TVET	Technical and Vocational Education and Training
TVETA	Technical and Vocational Education and Training Authority

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

Kasarani Technical and Vocational College
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2. Key Entity Information and Management

(a) Background information

Kasarani Technical and Vocational College was established under the TVET Act on 26 April 2017. The entity is domiciled in Kenya and has no branches. The institution is under the Ministry of Education. The institution has seven (7) academic departments namely: Electrical and Electronics Engineering, Mechanical and Automotive Engineering, Computing and Informatics, Hospitality and Institutional Management, Agriculture and Environmental Studies, Business Studies and Building and Civil Engineering. Administratively Principal, Deputy Principal – Academics, Deputy Principal – Administration, Registrar – Academics, Registrar – Administration, Dean of Trainees, Finance Officer, Internal Auditor, and Procurement Officer, heads the College.

(b) Principal Activities

The core mandate of Kasarani Technical and Vocational College is to offer Technical, Vocational Education and Training.

Vision Statement: A centre of excellence in the Provision of Competency Based Education and Training (CBET)

Mission Statement: To produce highly skilled and competitive graduates through quality training in partnerships with the stakeholders for the global market.

Motto: Learning the Practical Value of Knowledge

Core Values: KTVC will be governed and will strive to uphold the following core values:

- ✓ Accountability
- ✓ Teamwork
- ✓ Professionalism
- ✓ Transparency
- ✓ Patriotism
- ✓ Integrity
- ✓ Equity
- ✓ Quality

(c) Key Management

Kasarani Technical and Vocational College's day-to-day management is under the following key organs:

- The Board of Governors
- The Principal
- The Fiduciary Management, which comprises: Principal, Deputy Principal – Academics, Deputy Principal – Administration, Registrar – Academics, Registrar – Administration, Dean of Trainees, Finance Officer, Internal Auditor, and Procurement officer.

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Key Entity Information and Management (Continued)

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Ms. Josephine Begi
2.	Deputy Principal – Administration	Mr. George Kiunga
3	Deputy Principal – Academics	Ms. Mary Atieno
4	Registrar – Academics	Mr. Richard Amari
5	Registrar – Administration	Ms. Catherine Kiiro
6	Dean of Trainees	Mr. Vitalis Wangila
7	Finance Officer	CPA Josiah Nyauncho
8	Ag. Procurement Officer	Ms. Wilter Nyandoro
9	Internal Auditor	CPA Innocent Makanga

(e) Fiduciary Oversight Arrangements

The Board of Governors

The Board of Governors has the overall responsibility to ensure the achievement of the strategic objectives and mandate of the organisation as set out under the PFM Act. This responsibility is achieved through the various committees of the Board which are given specific terms of reference to carry out the Board's mandate. The Board also ensures that strategic direction is given to management who are responsible for the day-to-day operations of the organisation to achieve commonality of purpose. Kasarani Technical and Vocational College had put in place the following fiduciary oversight committees that act as enablers of the institution:

i. Finance, Infrastructure and Human Resource Committee:

This committee deals with Governance and Strategic issues of the Board. It is therefore responsible for the Board's achievement of its strategic objectives and ensures that annual work plans are implemented. The Committee is responsible for ensuring that the organisation's budget and procurement plan are in line with the strategic plan and the Board's mandate as outlined in the law. This committee is also responsible for managing the organisation's risk, ensuring compliance to all applicable laws and regulations, and spearheading good governance practices by the Board members and the Secretariat. The committee sets up viable policies that dictate how the College's assets and funds are managed as well as coordinating the human resource function. It sets up the school fees structure and is always available for consultation on

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

financial matters affecting the College. The composition of the committee is as per the table below:

S/No.	Member	Designation
1.	Ms. Victoria Mueni Mulwa	Chairperson
2.	Ms. Scholastica Kailanya	Member
3.	Mrs. Maryan Abdi Hassan	Member
4.	Ms. Josephine Begi	Secretary

ii. Education, Research and Training Committee:

The committee looks into and supports all academic matters of the college providing guidance on training methods and practices, courses and their uptake as well as advising management on education matters. This committee comprise of the following members:

S/No.	Member	Designation
1.	Mr. Gideon Murenga	Chairperson
2.	Ms. Ruth Akinyi Owuor	Member
3.	Ms. Robai Musilivi Shiakhutsa	Member
4.	Eng. Clement Maiko	Member
5.	Ms. Josephine Begi	Secretary

iii. Audit and Risk Management Committee:

This committee's role is to provide oversight of the financial reporting process, the audit process, the Kasarani Technical and Vocational College's system of internal controls and compliance with laws and regulations. The members of this committee are as follows:

S/No.	Member	Designation
1.	Eng. Clement Maiko	Chairperson
2.	Ms. Robai Musilivi Shiakhutsa	Member
3.	Mr. Geoffrey Ochola	Member
4.	Mrs. Maryan Abdi Hassam	Member
5.	CPA Innocent Makanga	Secretary

(f) Entity Headquarters

Kasarani Technical and Vocational College
 Kamulu Shopping Centre, off Kangundo Road
 P.O. Box 51898 – 00200,
 Nairobi, Kenya.

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Key Entity Information and Management (Continued)

(g) Entity Contacts

Telephone: (+254) 0716685054
E-mail: kasaranitechnical@gmail.com
Website: www.kasaranitechnical.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
Kencom House,
Moi Avenue,
P.O. Box 48400 – 00100,
Nairobi, 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

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3.The Board of Governors




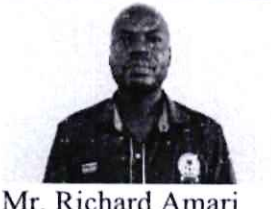

<i>SN.</i>	<i>Member</i>	<i>Details</i>
1.	 Mr John Kariuki Kamuiru Chairman BOG	D.O.B- 18 th April 1977 Qualifications- Master of Science in Project Management, Bachelor of Education (Science) Current work experience- Educational Programs Coordinator in Kasarani Constituency, An Independent member and Chairman of the Board
2.	 Ms. Victoria Mueni Mulwa Member	D.O.B- 2/12/1967 Qualifications- Bachelor's Degree, B.SC in Business Administration. Career Banker CEO and Founder Arope Group Ltd, a Background Checks & Due diligence company. An Independent member and chairs Finance, Infrastructure and Human Resource Committee
3.	 Mr. Gideon Murenga Member	D.O.B- 18/05/1985 Qualifications- Master of Education – Educational Administration Bachelor of Education Science (Physics/Math). An Independent member and chairs the Education and training committee
4.	 Mr. Geoffrey Ochola Member	D.O.B- 18/07/1985 Qualifications- Bachelor of Education in Technology Education (Electrical and Electronics)
5.	 Ms. Ruth Akinyi Owuor Member	D.O.B; 23/07/1968 Qualifications- Master of Education (Education Planning) Current Work Experience- Director for City Education, Nairobi County. An Independent member

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6.	 Ms. Robai M. Shiakhutsa, CS Member	D.O.B-11/08/1986 Qualifications- Master of Laws- LLM, Certified Secretary of Kenya. Current work experience- Advocate of the High Court An Independent member
7.	 Ms. Scholastica Kailanya Member	D.O.B- 05/04/1988 Qualifications: Bachelor of Commerce- Finance Option CPA (K) Currently pursuing masters in development finance. Current work experience: Ag. Internal Audit Manager at Kenya Union of Credit and Cooperatives. An Independent member
8.	 Mrs. Maryam Abdi Hassan Member	D.O.B.12/12/1977 Qualifications- Bachelor of Education (Science) Current work experience- Regional Director- TVET Nairobi Region. PS, Representative
9.	 Eng. Clement Maiko Member	D.O.B- 01/01/1977 Qualifications- Engineer An Independent member and chairs the Audit and Risk Management Committee
10.	 Ms. Josephine Begi Principal/Secretary BOG	D.O.B 12/12/1970 MA in Economic Policy Management. Current work experience- Principal- Kasarani Technical and Vocational College. She is a non-member of Institute of the institute of certified public secretaries of Kenya

Kasarani Technical and Vocational College
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4. Key Management Team

<i>SN.</i>	<i>Member</i>	<i>Details</i>
1.	 Ms. Josephine Begi	The Principal MA in Economic Policy Management. Current work experience- Principal- Kasarani Technical and Vocational College.
2.	 Ms. Mary Atieno	Deputy Principal – Academics Bachelor of Education (Home Economics)
3.	 Mr. George Kiunga	Deputy Principal – Administration and Finance Master’s in Business administration (Finance Option) Bachelor of Education (Business and Mathematics)
4.	 Mr. Richard Amari	Registrar – Academics MEng. in Electric Power System and its Automation Bachelor of Education in Technology Education (Electrical and Electronics option)
5.	 Ms. Catherine Kiio	Registrar – Administration Masters in Educational Leadership and Policy Studies

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6.	 Mr. Vitalis Wangila	Dean of Trainees BSc. In ICT Management Diploma in Technical Education – ICT
7.	 CPA Josiah Nyauncho	Finance Officer MBA, Finance option BBM, Finance and banking option CPAK: ICPAK 29221
8.	 Ms. Wilter Nyandoro	Ag. Procurement Officer BBSM, Procurement & Supplies chain Management.
9.	 CPA Innocent Oino Makanga	Internal Auditor BCom, Accounting option CPAK: ASSOC NO. 4338

5. Chairman's Statement

It is with great pleasure that I present the Kasarani Technical and Vocational College's statement for the financial year 2023/2024. This year has been marked by significant progress, growth, and resilience, as well as the continued dedication of our staff, trainees, and stakeholders. I am proud to highlight our key achievements, challenges, and future direction.

Our strategic priorities for the year focused on enhancing educational quality, expanding institutional capacity, and strengthening governance. A major milestone was the completion of Phase II of our infrastructure development, which included expanded classrooms, new workshops, setting up of the Jitume laboratory for Ajira Digital Skills acquisition and forging partnerships with private hostel owners for student accommodation. These developments have enabled us to accommodate a larger trainee population and provide a better learning environment.

We also introduced new courses in Civil Engineering, Water Engineering Technology, Accountancy, Agricultural Extension, Computer Science and Computer Programming, aligning our curriculum with the evolving needs of the labor market. These programs, accredited by TVET Authority and assessed by TVET CDACC, are designed to equip our trainees with industry-ready skills. Additionally, we strengthened industry partnerships, signing new Memoranda of Understanding (MOUs) with key players, facilitating internships, Dual training and improving job placement for graduates.

KTVC's trainee enrollment increased from 1805 trainees in the FY 2022/23 to an impressive population of 2386 trainees in the FY 2023/24, reflecting growing confidence in our institution. Our course completion rate of 85% highlights the success of our programs, with many trainees securing employment or pursuing further studies. On the governance front, we completed a governance audit, implemented a Board performance evaluation system, and introduced policies to enhance transparency and accountability in our Institution.

Despite our successes, we faced several challenges during the 2023/2024 financial year. Limited government funding and rising operational costs constrained our ability to invest in modern technologies and expand our infrastructure. Keeping pace with rapid technological advancements also posed challenges, as the demand for up-to-date equipment and digital learning platforms continues to grow. Additionally, trainee welfare, including housing, mental health services, and financial aid, remained areas requiring improvement as our trainee population increased.

Looking ahead, KTVC is committed to overcoming these challenges and building on our achievements. We plan to diversify our revenue streams through partnerships, grants, and income-generating activities to address funding constraints. Embracing digital transformation is a priority, and we will continue to expand e-learning platforms and leverage on the modern training equipment in our Jitume lab to prepare trainee for the digital economy.

Improving trainee support services is another key focus. We aim to set up accommodation facilities through the affordable housing program, enhance mental health resources, and increase bursary allocations for disadvantaged trainees by engaging the area member of parliament. We also plan to increase our trainee support on application of KUCCPS placement and application for Government scholarships and HELB loans. Strengthening industry

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partnerships will remain central to improving graduate employability, with more internships and collaboration on Dual training.

Finally, we are committed to sustainability, exploring renewable energy and environmental conservation initiatives to make KTVC eco-friendlier and more cost-efficient.

In conclusion, the financial year 2023/2024 has been pivotal for KTVC, marked by growth, achievement, and valuable lessons. While challenges remain, I am confident that our collective efforts as a Board, alongside our dedicated staff and trainees, will position KTVC for sustained success. I extend my deepest gratitude to my fellow Board members, the College's management, and our stakeholders for their unwavering support. Together, we will continue to drive KTVC towards excellence in technical and vocational education, making a lasting impact on our trainees and the entire community.



.....
Mr. John Kariuki Kamuiru
Chairperson of the Board

6. Report of the Principal

During the financial year 2023/2024 the College experienced significant milestones, some challenges, and forward-thinking initiatives that will shape our future. I extend my gratitude to our Board, staff, trainees, and stakeholders for their commitment to advancing KTVC's vision. Some of the milestones include:

Expansion of Infrastructure and Facilities

The year 2023/2024 marked a key milestone in our infrastructural development. We completed Phase II of our development plan, resulting in the addition of more classrooms and the expansion of our technical workshops, enhancing the learning environment. Establishing a working relationship with our neighbors in setting up of trainee accommodation facilities helped address the growing trainee population, though there remains a need for further expansion as demand continues to rise. These infrastructural developments have enhanced our ability to offer diverse programs, support more trainees, and create a conducive learning atmosphere.

Curriculum Development and Accreditation

KTVC continuously strives to stay ahead of the evolving demands of the labor market. In this financial year, we introduced several new courses in various fields. These programs were promptly accredited by the relevant authorities, ensuring that our trainees receive training that aligns with global industry standards. Additionally, continuous curriculum reviews were conducted to update our existing programs and ensure they remain relevant to industry demands, preparing our trainees for immediate employment after graduation.

Industry Partnerships and Linkages

We made significant strides in building and maintaining industry partnerships to provide trainees with hands-on learning experiences. Our partnerships included local companies and development partners in various fields. This year, we signed new Memoranda of Understanding (MOUs) with leading organizations, which led to internship and Dual training opportunities for our trainees pursuing Welding and Fabrication Level 6 course. These partnerships have proven invaluable in enhancing trainee employability and ensuring that our graduates are well prepared for the workforce.

Student Enrollment and Success Rates

In the 2023/2024 financial year, KTVC experienced a growth in population from 1805 trainees to 2386 trainees, a clear indication of the growing reputation of our institution. We also maintained an impressive course completion rate of 85%, with many of our graduates securing employment in their fields or progressing to higher education. This growth in enrollment is a testament to the quality of education we provide, and our efforts to align programs with industry needs have resulted in increased demand for KTVC graduates.

Governance and Leadership Improvements

The governance of the College was further strengthened during the year. The Board of Governors implemented a comprehensive governance audit, which led to the adoption of new policies aimed at enhancing transparency and accountability. In addition, a performance evaluation system for both the Board and the management was established, ensuring that we uphold the highest standards of governance. These initiatives have improved decision-making processes and reinforced the institution's commitment to operational excellence.

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Despite the achievements and growth highlighted, the College faced a number of challenges during the year under review. These challenges include:

Funding Constraints

One of the primary challenges we encountered this year was funding. Limited government funding, coupled with rising operational costs, hampered our ability to fully implement planned expansion projects and acquire new technology. While we were able to make progress in key areas, these financial limitations restricted our ability to invest in modern equipment that is essential for technical training.

Keeping up with Technological Advancements

As the world increasingly moves towards digitization, KTVC faces the challenge of keeping up with rapid technological advancements. The need for updated equipment, digital learning platforms, and specialized training tools is critical to ensuring that our trainees are well prepared for the modern workforce. However, the financial limitations mentioned above have made it difficult to invest as much as we would like in these areas.

Student Welfare

With the continued growth in trainee numbers, ensuring the welfare of our trainees has become more complex. The privately owned student accommodation facilities do not take into account the fact that some trainees are financially unstable and hence the high amount of rent poses an urgent need to establish our housing services. Additionally, we recognize the growing importance of mental health and financial aid for trainees, particularly those from disadvantaged backgrounds. Addressing these welfare needs is a priority moving forward.

Looking ahead, KTVC is focused on consolidating its gains and addressing the challenges we face. Our strategic plan for the coming years revolves around several key pillars:

Resource Mobilization

To address our financial challenges, KTVC will diversify its funding sources by pursuing public-private partnerships, applying for grants, and expanding income-generating activities. This strategy will help us secure the funds necessary to continue infrastructure development, modernize training equipment, and support ongoing initiatives.

Digital Transformation

Recognizing the importance of digital skills in the modern economy, we are committed to investing in e-learning platforms, digitizing administrative processes, and acquiring state-of-the-art training equipment. We will also provide continuous professional development for our teaching staff to ensure they can deliver cutting-edge education that meets industry standards.

Enhancing Trainee Support Services

We are taking deliberate steps to improve trainee welfare by expanding accommodation facilities by collaborating with government through the affordable housing program, increasing access to mental health resources, and expanding our HELB desk support infrastructure to assist more trainees apply for Government scholarship and HELB loans. Our goal is to create an inclusive, supportive environment that ensures every trainee has the opportunity to succeed.

Strengthening Industry Partnerships

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experts in curriculum development, and exploring joint research and innovation projects. These partnerships will be key in providing practical training and ensuring that our programs remain aligned with industry needs.

Sustainability Initiatives

As part of our long-term strategy, KTVC is committed to integrating sustainability into our operations. We will explore opportunities to invest in renewable energy, waste management solutions, and environmentally friendly practices. This will not only reduce operational costs but also position KTVC as a leader in green education and sustainability.

Financial Performance

While KTVC faced financial challenges due to reduced government funding and increased operational costs, we managed our resources prudently, prioritizing essential projects and maintaining the institution's overall financial stability. We will continue working closely with stakeholders to improve our financial position and ensure we meet the needs of our growing trainee population.

In conclusion, the financial year 2023/2024 has been one of significant progress and growth, despite the challenges we have faced. Our strategic initiatives have strengthened the institution and positioned us for future success. Moving forward, we will continue working to enhance the quality of our education, expand our infrastructure, and improve trainee welfare. With the continued support of our Board, staff, and stakeholders, I am confident that KTVC will remain a leading institution in technical and vocational education.



Ms. Josephine M. Begi
Principal/Secretary BOG

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7. Statement of Performance against Predetermined Objectives

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

Kasarani Technical and Vocational College has seven (7) strategic pillars/issues/ themes and objectives within current Strategic Plan for the FY 2021 – FY 2026. These strategic pillars are as follows:

- i. Training and Skills Development;
- ii. Facilities and Infrastructure;
- iii. Customer Care;
- iv. Human Resource Development Resources;
- v. Research, Development & Innovations (R, D & I);
- vi. Institutional Governance.
- vii. Student Welfare

Kasarani Technical and Vocational College develops its annual work plans based on the above listed pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2023/24 period for its seven strategic pillars, as indicated in the diagram below:

i) Training and Skills Development;	To enhance access and equity to TVET	<ul style="list-style-type: none"> • No. of Curriculum/ courses implemented • No. of linkages & partnership • Sensitization reports 	i. Diversification of training programmes; ii. Increase provision of trainee loan, bursaries and scholarships through partnerships.	Seven new CBET courses mounted Five hundred (500) trainees benefited from government scholarships and HELB loans
ii) Facilities and Infrastructure;	To enhance infrastructure	<ul style="list-style-type: none"> • General work plan • Review reports • Schedules • Budget • Repairs register • Completion certificate/job card • Plans • Bills of Quantities 	i. Diversification of training programmes ii. Complete on-going and construct proposed infrastructural projects	Classrooms, workshops, Jitume lab and staffroom establishment completed

Kasarani Technical and Vocational College
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		<ul style="list-style-type: none"> • Inspection reports • Procurement documents 		
iii) Customer Care;	To enhance customer satisfaction	<ul style="list-style-type: none"> • Customer satisfaction survey reports • Reports Completion certificates • Reviewed service charter • Document review form • Minutes of review meeting 	<ol style="list-style-type: none"> i. Improve customer care ii. Integration of ICT in service delivery iii. Enhance occupational safety and health 	<p>ERP for student management, Examination, Finance and Procurement installed and operationalised</p> <p>Customer satisfaction index of 55.65 was achieved during the year under review</p>
iv) Human Resource Development Resources;	To enhance prudent management of resources	<ul style="list-style-type: none"> • Human resource policy • Advertisement • Interview invitation letters • Committee minutes • Interview reports • Appointment letters 	<ol style="list-style-type: none"> i. Utilisation of available land ii. Enhance financial Management System iii. Enhance human resource Management 	<p>Eleven (11) Public Service Vocational and Technical Trainers hired through a competitive process</p>
v) Research, Development & Innovations (R, D & I);	To Enhance Research, Development and Innovations in KTVC	<ul style="list-style-type: none"> • R, D & I Policy • Certificates, • Reports • Attendance list • Research papers • Innovations • Conferences • Exhibitions reports • Incubation centre, 	<ol style="list-style-type: none"> i. Capacity Building ii. Resource mobilization 	<p>Participated and won awards in innovations and exhibits at regional and national level</p>
vi) Institutional Governance.	To uphold good Corporate Governance	<ul style="list-style-type: none"> • Constitution • Relevant Acts regulation, policies and statutory requirements • Policies, strategies 	<ol style="list-style-type: none"> i. The BOG to develop and approve Institutional policies and regulations ii. The BOG to 	<p>Participated in the CSR activities in Kamulu through clean of market and rivers</p>

Kasarani Technical and Vocational College
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		& programmes	<p>monitor and offer oversight on implementation of Institutional policies and regulations.</p> <p>iii. Implementation of statutory obligations.</p> <p>iv. Embrace Results Based Management</p> <p>v. Promote Corporate Social Responsibility (CSR)</p> <p>vi. Improve Public Image</p>	The Board ratified various policies amongst them, the HRM policy, Academic policy, Internal Quality Assurance policy
vii) Student Welfare	(i) To enhance the trainees' training experience;	<ul style="list-style-type: none"> • No. of playing fields • No of indoor sports facilities • Trainee retention and course completion statistics • Trainees access to career information • Level of trainee participation in various co-curricular activities • Attendance records and certificates awarded 	<p>i. Enhance trainees' recreation activities</p> <p>ii. Enhance General Trainees' Welfare</p>	Participated and won awards in sports and games at regional level

8. Corporate Governance Statement

Kasarani Technical and Vocational College (KTVC) is committed to the highest standards of corporate governance, in compliance with relevant laws, policies, and best practices in the education sector. The College strives to maintain transparency, accountability, and integrity in its operations and decision-making processes, to ensure sustainable growth and effective service delivery to trainees, staff, and stakeholders.

The governance of KTVC is structured to ensure clear accountability and oversight of the College's functions. The framework is based on the principles of good governance as outlined by the Ministry of Education and the Technical and the TVET Act 2013. The following are integral to the College's governance:

Board of Governors (BoG)

The BoG is the supreme governing body of KTVC and is responsible for setting strategic direction, policy formulation, and ensuring that the College's activities are aligned with its mission and vision. The BoG exercises oversight of the College's management and operations and ensures compliance with statutory requirements. Its functions include approval of budgets, financial reporting, and risk management.

Principal

The Principal is the Chief Executive Officer of KTVC and is responsible for the day-to-day management of the College. The Principal reports to the BoG and ensures that decisions made by the Board are implemented. The Principal leads the top management team and is accountable for delivering educational outcomes, operational efficiency, and financial sustainability.

Management Committees

The College has established various management committees to support the governance structure, including the Finance, Infrastructure and Human Resource Committee, Education, Research and Training Committee, and the Audit and Risk Management Committee. These committees play a crucial role in specialized areas of governance and ensure that the College operates effectively and efficiently. The membership is as follows:

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

Ref	Member	Full Board	Committees		
			Infrastructure, Finance and Human Resource Committee:	Education, Research and Training Committee:	Audit and Risk Management Committee
1	Mr. John Kariuki Kamuiru – Chairman*	✓			
2	Mr. Geoffrey Ochola – Member.	✓			✓
3	Mr. Gideon Murenga – Member**.	✓		✓	
4	Eng. Clement N. Maiko – Member**.	✓		✓	✓
5	Ms. Robai Shiakhutsa – Member.	✓		✓	✓
6	Ms Scholastica Kailanya – Member.	✓	✓		
7	Ms. Victoria Mulwa – Member**	✓	✓		
8	Ms. Ruth Owuor – Member	✓		✓	
9.	Mrs. Maryan Abdi Hassan – Member	✓	✓		✓
10.	Ms Josephine Begi – Secretary BOG	✓	✓	✓	
11	Ms. Mary Atieno***	✓	✓	✓	✓
12	CPA Mr. Josiah Nyauncho****	✓	✓	✓	✓
13	CPA Mr. Innocent Makanga****	✓	✓	✓	✓

*Board Chair

** Chairperson to the committee

*** Attended by invitation

**** Co- opted member of the Committee

Board Attendance

Best practice requires that every Board member attend a minimum of 75% of all Board meetings. Below is an extract from the attendance register for the Board meetings held in the period from 1st July 2023 to 30th June 2024:

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Sno	Member	Number of eligible meetings during the year	Number of meetings attended	Attendance
1	Mr. James Maina- Chairman*.	4	4	4 of 4
2	Eng. Clement N. Maiko- Member.	8	6	7 of 8
3	Dr. Kiyeng Chumo- Member.	4	4	4 of 4
4	Ms. Doreen Nkirote- Member.	4	4	4 of 4
5	Ms. Robai Shiakhutsa, CS - Member.	8	7	7 of 8
6	Ms Pauline Kyule- Member.	4	4	4 of 4
7	Dr. Elizabeth Kalunda, CPA- Member.	4	4	4 of 4
8	Ms. Ruth Owuor-.	8	5	5 of 8
9.	Mrs. Maryann Abdi	8	7	7 of 8

Below is a summary of the general functions and members' attendance of each of the committee of the Board:

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i) Finance, Infrastructure and Human Resource Committee:

Sno	Member	Number of eligible meetings during the year	Number of meetings attended	Attendance
1	Prof. Elizabeth Kalunda- Member.	2	2	2 of 2
2	Ms. Robai Shiakhutsa, CS - Member.	4	4	4 of 4
3	Eng. Clement Maiko	4	4	4 of 4
4.	Mrs. Maryann Abdi	4	4	4 of 4
5	Ms Josephine Begi	4	4	4 of 4
6	Ms. Scholastica Kailanya **	2	2	2 of 2
7	Ms. Victoria Mulwa – Member**	2	2	2 of 2
8	CPA Josiah Nyauncho****	4	4	4 of 4

ii) Education, Research and Training Committee:

Sno	Member	Number of eligible meetings during the year	Number of meetings attended	Attendance
1	Dr. Kiyeng Chumo- Member.	2	2	2 of 2
2	Ms. Robai Shiakhutsa, CS - Member.	4	4	4 of 4
3	Ms. Ruth Owuor-.	4	3	3 of 4
4.	Mrs. Maryann Abdi	4	4	4 of 4
5	Ms Josephine Begi	4	4	4 of 4
6	Ms. Mary Atieno****	4	2	2 of 4

iii) Audit and Risk Management Committee

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Sno	Member	Number of eligible meetings during the year	Number of meetings attended	Attendance
1	Ms Doreen Nkirote*	2	2	2 out of 2
2	Ms. Robai Shiakhutsa***	4	4	4 out of 4
3	Ms. Ruth Owuor**	4	2	2 out of 4
4.	Ms Pauline Kyule**	2	2	2 out of 2
5	CPA Innocent Makanga****	4	4	4 out of 4

*Chairperson to the committee

** Committee member replacements

*** Attended by invitation

**** Co- opted member

KTVC's governance practices are guided by the following principles:

Accountability: The College holds management and staff accountable for the effective use of resources and for delivering on institutional goals. Performance is measured against clear objectives, and regular reports are submitted to the BoG.

Transparency: KTVC is committed to openness in its decision-making processes. The College provides accurate and timely information to stakeholders, including staff, trainees, and regulatory authorities.

Integrity: The College upholds high ethical standards in all its dealings. Policies and procedures are in place to prevent conflicts of interest, fraud, and corruption. All governance actions are carried out with integrity to safeguard the College's reputation.

Inclusivity: The College fosters an environment of inclusion, ensuring that the views of all stakeholders are considered in governance processes. This includes staff, trainees, industry partners, and the community.

Continuous Improvement: KTVC strives for continuous improvement by regularly reviewing its governance processes and implementing best practices. This ensures that the College remains responsive to changes in the education sector and global trends in technical and vocational training.

Risk Management and Internal Control

KTVC has implemented a robust risk management framework to identify, assess, and mitigate risks that could affect the achievement of its objectives. The Audit and Risk Management Committee monitors the internal control systems to ensure they are effective in

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managing risks. The College conducts regular internal audits, and the findings are reported to the BoG for action.

Stakeholder Engagement

KTVC recognizes the importance of engaging with its stakeholders, including trainees, staff, parents, the Government, and industry partners. The College actively seeks feedback from these groups to improve its services and programs. The BoG and management also maintain open communication with regulatory bodies to ensure alignment with national educational goals.

Term of Board Members

The term of the Board is outlined under the amended provision of PFM Act, 2012 section 193(4). Members except ex- officio members shall be appointed by the Cabinet Secretary National Treasury and serve for a term of not more than three (3) years renewable once for a further term of three years. During the financial year, the term of the previous board lapsed. A new board was appointed on 12th February 2024 and inaugurated on 27th March 2024.

Compliance to Laws and other Legal Requirements

PSASB as a responsible corporate citizen is alive to the tenets of the Constitution of Kenya and is fully compliant with the provisions of the PFM Act, 2012 under which the Board is established. The Board also ensures compliance to the PFM Act, 2012 by public sector entities through sensitization and training.

Board Remuneration

As per PFM Act, 2012 Section 195(2), the Salaries and Remuneration Commission determine the remuneration payable allowances to the members of the Board. Details of Board and committee allowances are included in these financial statements.

Conflict of Interest and Declaration of Interest

The Board members have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Board. All transactions with all parties, directors or their related parties are carried out at arm's length. Board members are obligated to disclose to the Board any real or potential conflict of interest, which may come to their attention whether direct or indirect. During every Board meeting, an agenda item exists which requires members to make a declaration Public Sector Accounting Standards Board Annual Reports and Financial Statements For the year ended June 30, 2024 of any conflict of interest they may have in the business to be discussed. The board has observed this practice in the financial year under review.

Board Charter and Board Training

KTVC's Board Charter was drafted and approved on 20th June 2022. The Charter outlines powers and responsibilities of the Board and its members, appointment, remuneration, term of the Board members, conduct of meetings, committee's terms of reference, conflict of interest among others. The Charter is premised on the Mwongozo Code and best Corporate Governance Practices. The board was inducted by the said documents on November 2022 on the best practices of corporate governance at Nakuru.

Board Evaluation

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The performance of the Board and its members is evaluated on a regular basis. During the year Board evaluation wasn't undertaken by a representative from State Corporations Advisory Committee (SCAC). Although, going forward this will be done to enable the board and its members to gauge their performance and identify areas of improvement.

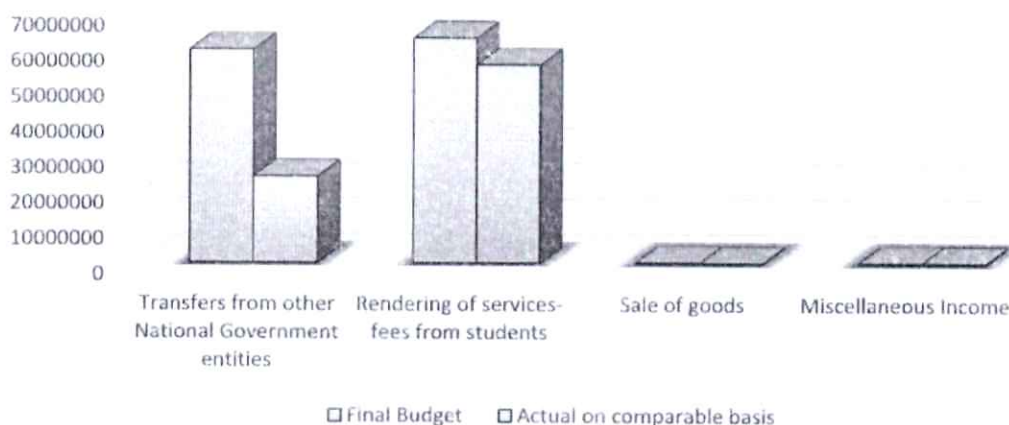
9. Management Discussion and Analysis

Summary of financial results

Revenue

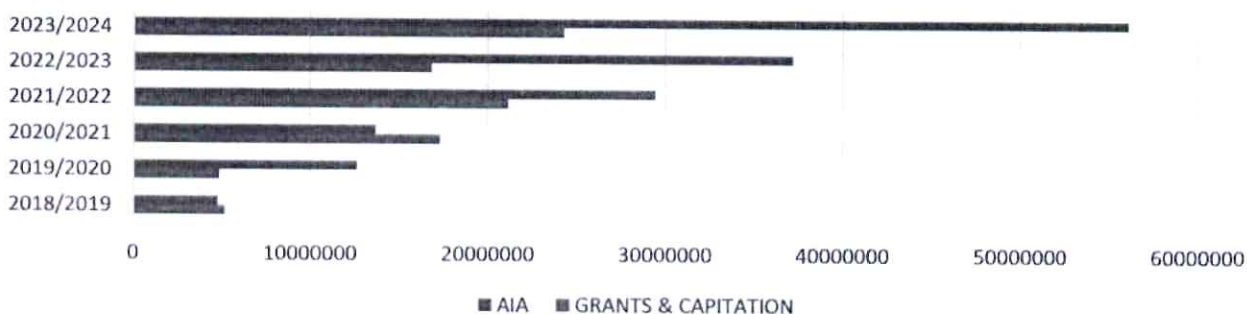
FINAL BUDGET VS ACTUAL FOR THE FY 2023/2024

**FINAL BUDGET VS ACTUAL FOR THE FY
2023/2024**



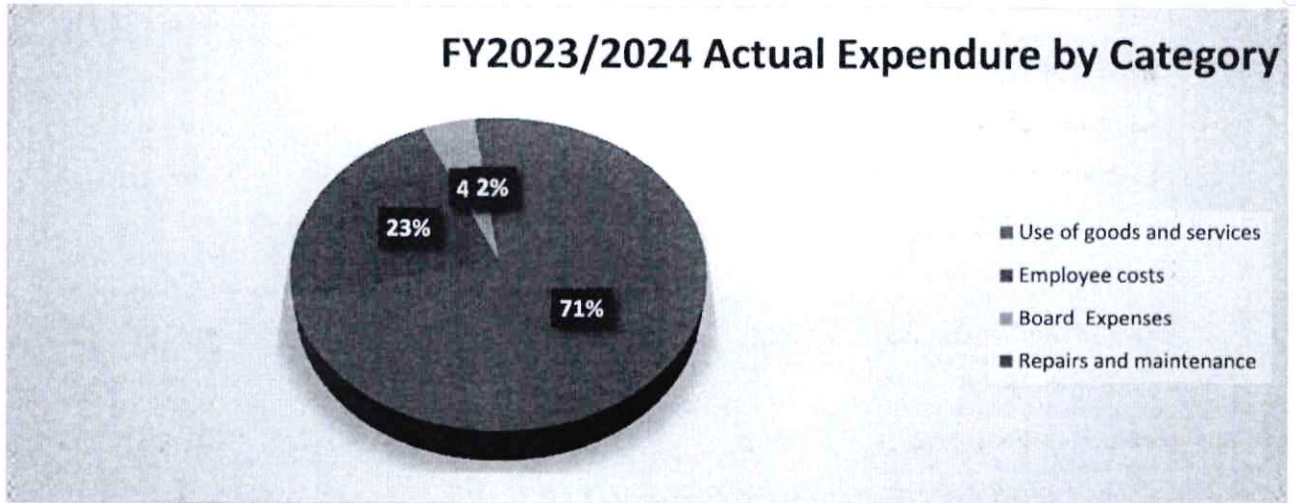
NATIONAL GOVERNMENT FUNDS VS AIA COLLECTION FOR THE FIVE-YEAR PERIOD

**NATIONAL GOVERNMENT FUNDS VS AIA
COLLECTION FOR THE FOUR YEAR PERIOD**



Actual Expenditure by Category for the FY2023/2024

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Kasarani TVC's operational and financial performance

Kasarani TVC closed the FY with a population of 2386 trainees steadily growing from 1805 trainees in the previous FY. This number not only boosted our enrolment but also our financial capacity, since government capitation and the new funding model depends on the number of eligible students successfully enrolled in the various programs offered by a learning Institution. More trainees will lead to a high liquidity ratio to our financial statement and attract more cash flows that will facilitate investment in infrastructure that is key for the growth and development of the College and the realization of Government's Bottom-Up Economic Transformation Agenda and Sustainable Development Goals that strive to ensure quality, equity, relevance and access to training.

This growth also culminated into a staff growth to fifty-seven (57) PSC staff. Despite that number, there was a deficit of trainers. Hence, the management had to get the services of twelve (12) BoG trainers to bridge the gap as shown in table below:

SUMMARY OF STAFF AND STUDENTS RETURNS

Institution name		Kasarani Technical and Vocational College		Telephone Contact		716685054		FY 2023/2024												
Institution email		kasaranitechnical@gmail.com						Quarter												
County code		47		County name		Nairobi														
MoE Code		4706						Recent Exam Performance												
S/No	Academic Department	CBE @ 18hrs/Wk	PSC Trainers In-Post			Council/BoG Trainers	Student enrolment				Recent Exam Performance			Graduated students						
			M	F	Total		Students in session	No of classes	Students on	TOTAL Enrol.	Entry No	Past No	% Past	M	F	Total				
1	Mechanical & Automotive Engineering	12	9	1	10	1	294	28	322	26	18	4	22	344	25	7	28	1	1	2
2	Electrical & Electronics Engineering	14	9	2	11	1	467	67	534	11	27	4	31	565	58	29	50	19	1	20
3	Building & Civil Engineering	12	2	4	6	4	369	47	416	21	26	4	30	446	42	21	50	22	2	24
4	Agriculture & Environmental Studies	6	2	1	3	2	25	35	60	6	0	0	0	60	0	0	#DIV/0!	0	0	0
5	Hospitality & Tourism	13	1	6	7	0	67	236	303	11	3	14	17	320	43	33	76.74418605	18	8	26
6	Fashion Design & Cosmetology	2	0	0	0	2	2	30	32	10	0	0	0	32	0	0	#DIV/0!	0	0	0
7	Computing & informatics	10	6	1	7	1	188	148	336	15	2	3	5	341	23	13	56.52173913	12	9	21
8	Business Studies & Entrepreneurship	12	2	10	12	1	69	104	173	15	0	2	2	175	34	17	50	12	24	36
9	Liberal Studies	4	0	1	1	0	22	81	103	8	0	0	0	103	0	0	#DIV/0!	0	0	0
TOTAL		85	31	26	57	12	1503	776	2279	123	76	31	107	2386	225	120	53.33333333	84	45	129

During the period under review, the College has registered a total of 1,342 trainees who sat for the November 2023, March 2024 and July 2024 KNEC and TVET CDACC examinations. Kasarani TVC having transited to Competency Based Education and Training, presented its second cohort of candidates for CDACC assessment in July 2024 with a total of 313

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candidates being assessed. The overall performance in the FY 2023/2024 KNEC examination was mean performance of 49.41%. This score was a drop from the previous score, prompting for more effort to be put in since this was a result below the national average. Thorough analysis was done, after which clear strategies were put in place to mitigate against poor performance in future.

The office of the Registrar and the Dean of Trainees facilitated about 500 trainees who sought the services of HELB loan and Government Scholarship application, CDF funds and supported PWD's at the College by ensuring at least five trainees enabled differently received grants from Cheshire foundation. The Dean's office also facilitated and supported different worship groups including Christian Union, SDA, YCS, and Muslim community among others.

The Kasarani TVC officially engaged with The Amara Charitable Trust to assess the level of engagement and explore new areas of collaboration. The organisation appreciated the service the sponsored students are getting from Kasarani TVC. It was noted that the organization also supports infrastructural development in conjunction with the host institution. Their mode of support is on a shared approach, for instance, if they come in to support classrooms construction, Kasarani TVC must commit to fund a certain percentage of the total cost of the project.

Kasarani TVC's compliance with statutory requirements

The Institution has ensured compliance with the relevant statutory obligations as outlined in the Constitution of Kenya, Technical and Vocational Training (TVET) Act 2013, Public Finance Management Act 2012, Public Procurement and Disposal Act 2015 and the Regulations of 2016 among other legal requirements. The College also filed and remitted to Kenya Revenue Authority (KRA), NSSF, NHIF and HELB statutory deductions on behalf of our employees as required by law. We have also adhered to all the laws and regulations at all cost hence the College has no court cases and any litigations issues.

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Key projects and investment decisions Kasarani TVC is planning/implementing.

During the reporting period for the FY 2023/2024, the Board of Governors was able to devise and identify key projects that need to be implemented using internally generated revenue and capitation grants to ensure continuity and avoid a scenario where we would have to shut our doors to prospective students. These developments and their levels of achievement has been summarized as follows:

PROJECT IMPLEMENTATION MATRIX FOR THE FY 2023/2024

SNO.	Project Name	Project Description	Total Estimate Cost	Current Status (status of physical completion)	Allocation for FY 2023/2024	Actual Deliverable (Output) for FY 2023/2024
1.	Electrical workshop	Construct Electrical workshop	1,250,000	1,400,000	1,250,000	Electrical workshop completed
2.	Staff room chairs	Equip staff room with Thirty (30) additional chairs	165,000.00	150,000.00	165,000.00	Staff Room Equipped with Thirty (30) additional chairs
3.	Computer lab chairs	Equip computer lab with Eighty (80) chairs	440,000.00	300,000.00	440,000.00	Computer lab Equipped with Eighty (80) additional chairs
4.	Network computer lab	Networking of computer lab	200,000.0	360,000.00	200,000.0	Computer lab networked
5.	Permanent classrooms	Construct Two (2) permanent classrooms	9,000,000.0	0	9,000,000.0	Not achieved due to financial constraint
6.	Increase Internet bandwidth	Increase Internet bandwidth from 100mbps to 150mbps	900,000.0	300,000.00	900,000.0	Bandwidth increased from 100mbps to 150mbps
7.	College Motor Vehicle	Acquire a 33-seater College bus	6,400,000.0	0	6,400,000.0	Not achieved due to financial constraint
8.	CCTV's	Procure and install Ten (10) additional CCTVs	150,000.00	0	150,000.00	Ten (10) additional CCTVs installed
9.	Office renovation	Renovation of the Principal's office	350,000.00	250,000.00	350,000.00	Not achieved due to financial constraint
Totals			18,855,000	2,760,000.00	18,855,000	

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Major risks facing Kasarani TVC

The Institution, like many others, has faced risks during its lifetime. During the year, the College faced economic risks due to the shocks caused by late disbursement of capitation funds forcing the management to shore up as much cash flow as possible to be able to meet its ongoing operations, pay salaries to staff and meet its obligations to its creditors.

The Institution identified areas that could lead to fraud risks and tightened internal controls. This has reduced operational risk that is associated with flawed or failed processes, policies, systems or events hence minimal employee errors and no criminal activities.

The liquidity risks were because of undisbursed capitations funds, non-remittance of HELB loans and bursaries to the trainees in time. This has resulted to an accrual of debts to the institution not being able to pay its short-term financial obligations.

The audit committee and the internal audit department have developed a risk-management framework that is enshrined in the institution audit policy to mitigate all the risks that may arise from its activities. This framework is key for the continuity and sustainability of the College as a going concern and as a result, it has promoted credit worthiness and suppliers' confidence.

Material arrears in statutory/financial obligations

The increased admissions of trainees alongside non-disbursement of capitation & scholarship and payment of fees in time has increased our debtors significantly although we are confident of recovering these debts thus there is little provision of bad debts in our financial statements. However, the College received capitation funds and scholarship at the end of the quarter and hence settled all pending bills by the close of the financial year. In view of the above, the management envisions a brighter future where more will be done to continue growing the institution.

Kasarani TVC's financial probity and serious governance issues

The Board of Governors has always provided oversight and guided policy formulation for efficient management of the College activities. Members have always provided any assistance that has been asked of them by the Management team and have ably advised on policies and growth strategies for the betterment of the Institution.

The Board is also keen on enhancing the growth of the College and through Performance Contracting where several strategies were passed. This includes marketing the College as well as introducing and streamlining various courses in the institution. The Board has enhanced training through allocation and approval of funds to procure training materials and equipment for various programs. That has enabled such targeted courses to thrive and attract more students especially hospitality, ICT and Civil Engineering courses that are in demand based on the number of inquiries recorded at the College. The Board also approved the mounting of other CBET courses in line with the Government's directive of facing out KNEC courses.

So far, there have been no cases of conflict of interest or ethical misconduct as the Board remains united in delivering its mandate of ensuring Kasarani Technical and Vocational College grows to be one of the leading Technical Institutions in the Country. This has been occasioned by good governance and focused leadership guided by the top management.

10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

Kasarani Technical and Vocational College (KTVC) is committed to a sustainability strategy that aligns with both national goals and international best practices. As the Accounting Officer, I recognize the importance of incorporating sustainable efforts into all aspects of the College's operations. KTVC has prioritized energy efficiency, waste reduction, and community engagement through initiatives like tree planting and market cleaning. Broad political and macroeconomic trends, including government policies on green energy and the push for a circular economy, have shaped our sustainability priorities. Internationally, KTVC benchmarks its practices against Sustainable Development Goals, focusing on quality education and climate action. Key achievements include successful implementation of water-recycling technologies and environmental conservation activities, though challenges remain in scaling up these efforts due to limited funding. Nonetheless, KTVC remains dedicated to further embedding sustainability into its core operations and strategic planning.

Environmental performance

Kasarani Technical and Vocational College (KTVC) is guided by a comprehensive Environmental Policy aimed at minimizing its ecological footprint and promoting sustainable practices. This policy emphasizes responsible resource use, pollution prevention, and environmental education, aligning with Kenya's National Environmental Management Authority (NEMA) regulations. Evidence of the policy is seen in KTVC's initiatives, such as tree planting drives, water conservation programs, and wastewater recycling operations. Successes include improved waste segregation and the adoption of renewable energy sources like solar power. However, challenges remain, particularly in scaling waste management solutions and reducing plastic use. To manage biodiversity, KTVC has preserved green spaces and engaged in local reforestation efforts. Its waste management policy promotes recycling, proper disposal, and reducing landfill use. Additionally, efforts to reduce environmental impact include minimizing paper usage, using eco-friendly materials in construction, and transitioning to sustainable energy practices across the college.

Employee welfare

Kasarani Technical and Vocational College (KTVC) has a robust Human Resource Management Policy that ensures fairness and inclusivity in its hiring processes, taking into account gender balance to promote diversity. The college aims for equitable representation of both genders in all departments, ensuring equal opportunities for all applicants. The hiring process involves stakeholder engagement, including consultations with staff, management and the Board, and policies are reviewed regularly to align with evolving best practices. To improve staff skills and manage careers, KTVC offers continuous professional development programs, mentorship opportunities, and career progression pathways. An appraisal and reward system based on performance evaluations recognizes outstanding employees with promotions, recommendations, commendation letters, and awards. KTVC adheres strictly to the Occupational Safety and Health Act (OSHA) of 2007, ensuring that all employees work in safe, compliant environments. Regular safety audits, training on safety protocols, and the provision of necessary protective equipment demonstrate the college's commitment to workplace safety and compliance with OSHA standards.

Market place practices-

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Kasarani Technical and Vocational College (KTVC) upholds responsible marketplace practices by promoting fair competition, transparency, and ethical conduct. KTVC adheres to anti-corruption policies, ensuring zero tolerance for bribery or misconduct in all operations, and avoids political bias, engaging responsibly with government stakeholders. In terms of fair competition, the college respects its peers in the education sector, ensuring mutual respect and compliance with regulatory standards. KTVC maintains strong supplier relationships by honouring contracts, paying suppliers as per the service charter, and promoting ethical procurement practices, fostering trust and long-term partnerships.

In marketing, KTVC follows ethical practices by providing accurate information about its programs, ensuring transparency, and avoiding misleading advertisements. As part of its product stewardship, the institution prioritizes the rights of trainees by delivering high-quality training, protecting their data, and offering reliable trainee support services. Additionally, KTVC actively promotes education, sports, healthcare, and staff training while participating in community initiatives like tree planting and sanitation projects, which reflect its broader commitment to societal well-being.

Corporate Social Responsibility / Community Engagements

In line with its commitment to community development and environmental conservation, Kasarani Technical and Vocational College (KTVC) conducted several impactful Corporate Social Responsibility (CSR) activities in Kamulu during the FY 2023/24. These initiatives aimed to improve the local environment, promote sustainability, and foster community well-being.

Tree Planting Initiative

In April 2024, Kasarani TVC TVET Greening team participated in the regional tree planting exercise at EUNIIKIM Junior school; where a total of 100 trees were planted. In May 2024, KTVC organized a large-scale tree planting event in Kamulu, which saw the participation of trainees, staff, and community members. Over 300 indigenous and fruit-bearing trees were planted at PCEA Tumaini – Kamulu and King David Primary school in Kamulu. This initiative was part of the college's commitment to environmental conservation and combating climate change.

The tree planting initiative contributed to reforestation efforts, improving air quality, reducing soil erosion, and enhancing the local biodiversity. The project also served as an educational experience for trainees and community members, raising awareness about the importance of environmental conservation.

Kamulu Market Cleaning Exercise

In the spirit of celebrating the World Environment Day 2024 KTVC participated in a community market cleaning drive at Kamulu Market. This activity, conducted in partnership with local traders and NGOs, focused on land restoration, desertification, and drought resilience under the slogan ‘our land our future’. KTVC provided cleaning equipment and mobilized trainees and staff to work alongside market vendors to clear waste, sweep the market area, and sensitize the public on proper waste disposal practices.

The market cleaning drive significantly improved the sanitary conditions of Kamulu Market, benefiting hundreds of traders and customers by creating a cleaner, safer shopping environment.

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The initiative also fostered a sense of community ownership and responsibility for maintaining public spaces.

River Cleaning Project

In June 2024, KTVC launched a river cleaning project focused on restoring the cleanliness of the Kamulu River. The river, which had suffered from pollution due to improper waste disposal, was targeted for clean-up efforts involving trainees, staff, and local residents. The team collected and removed plastic waste, debris, and other pollutants from the riverbanks and the water.

The river clean-up resulted in the removal of significant amounts of waste, helping restore the natural flow of the river and improving water quality for local residents who rely on the river for irrigation and other needs. This initiative also educated the community about the dangers of water pollution and the need for sustainable waste management practices.

Evidence of Community Engagement

KTVC's CSR activities were carried out in close collaboration with the local community. The events were well attended by Kamulu residents, who actively participated in the initiatives. The tree-planting event saw schoolchildren and community leaders joining hands with KTVC, while local business owners and environmental groups supported the market cleaning and river cleaning projects.

These activities reflect the college's strong commitment to improving the welfare of the Kamulu community and ensuring environmental sustainability. By engaging in these CSR initiatives, KTVC has strengthened its relationship with the community, promoting a shared sense of responsibility for the local environment and public spaces.

11. Report of the Board of Governors

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

Principal activities

The principal activities of Kasarani TVC continue to be offering training as per the TVET Act 2013.

Results

The results of Kasarani TVC for the year ended June 30 are set out on page 1 to 6.

Board of Governors

The members of the Board who served during the year are shown on page vii. During the year 2023/24, the term of the previous board expired and a new board was appointed with effect from 12th February 2024.

Auditors

The Auditor General is responsible for the statutory audit of Kasarani TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of Kasarani TVC for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Secretary of the Board

Nairobi

Date:

26/09/2024

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

12. Statement of Board of Governors Responsibilities

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


The Board members are responsible for the preparation and presentation of Kasarani TVC's financial statements, which give a true and fair view of the state of affairs of Kasarani TVC for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of Kasarani TVC, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.


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

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

Approval of the financial statements

Kasarani TVC's financial statements were approved by the Board on 26/09 2024 and signed on its behalf by:

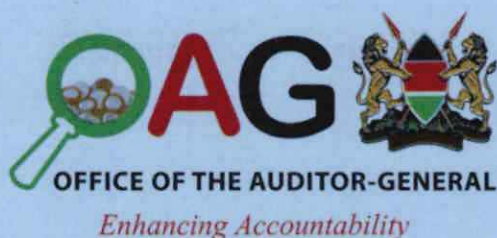
.....

Name: Mr. John Kariuki Kamuiru
Chairperson of the Board

.....

Name: Ms. Josephine M. Begi
Accounting Officer/Principal

13. Report of the Independent Auditor (Office of the Auditor General)

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kasarani Technical and Vocational College set out on pages 1 to 65, which comprise of the statement of financial

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kasarani Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Presentation and Inaccuracies in the Financial Statements

Review of the financial statements revealed the following errors and omissions;

- i. Management discussion and analysis on page xxix on the project implementation matrix for the year 2023/2024 revealed that the College procured and installed ten (10) additional CCTVs amounting to Kshs.150,000. However, the current status of physical completion indicated Nil completion.
- ii. The statement of changes in net assets reflects a revaluation gain amounting to Kshs.317,722,513 which was not supported with schedules and relevant documents. Further, the prior year deficit of Kshs.98,364 has been omitted under accumulated fund. In addition, the accumulated surplus balance of Kshs.17,063,632 includes an amount of Kshs.6,558,471 which was not explained or supported.
- iii. The statement of changes in net assets reflects accumulated fund amounting to Kshs.17,063,632. However, re-computation shows total accumulated fund of Kshs.38,597,612 resulting to an unexplained variance of Kshs.21,533,980. In addition, the statement reflects accumulated fund of Kshs.17,063,632 while the statement of financial position reflects a balance of Kshs.17,066,787 resulting to an unexplained variance of Kshs.3,155. Similarly the statement reflects revaluation reserve of Kshs.317,722,513 while the statement of financial position reflects Kshs.317,719,358 resulting to an unexplained variance of Kshs.3,155.
- iv. The statement of cash flows reflects a net cash outflow from investing activities amount of Kshs.11,094,157. However, review of additions of property, plant and

equipment and intangible assets reveal that the College made additions in the year under review amounting to Kshs.12,688,985 and Kshs.3,150,000 respectively totaling to Kshs.15,838,985 resulting to an unexplained variance of Kshs.4,744,828 which is not reflected in trade payables balance of Kshs.1,205,064 or in the statement of cash flows.

- v. The basis for rate used for computation of the current provision was not provided for audit review.
- vi. The statement of financial position reflects property, plant and equipment balance of Kshs.294,658,717 which differs with net book value balance reported in Note 18 to the financial statements of Kshs.313,144,154 resulting to unexplained variance of Kshs.18,485,437.

In the circumstances, the accuracy and presentation of the financial statements could not be confirmed.

2. Unsupported Balances

2.1 Rendering of Services - Fees from Students

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects rendering of services - fees from students amount of Kshs.55,704,219. Included in the amount is Kshs.46,882,209 and Kshs.8,822,010 in respect of tuition fees and examination fees respectively, which were not supported with fees payment policy, schedule of invoices and receipts during the year, list of students under the Kenya Universities and Colleges Central Placement Service (KUCCPS), self-sponsored students and capitation per student. Further, the revenue was not supported with a schedule of revenue collected per revenue stream; tuition fees, activity, and registration fees including examination fees collected per department.

2.2 Trade and Other Payables

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.1,205,064 as disclosed in Note 21 to the financial statements. However, the balance was not supported with ageing analysis report, purchase requisitions, supply contracts and delivery notes.

2.3 Property, Plant and Equipment Additions

The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.294,658,717. During the year under review, the College acquired additional assets totaling Kshs.12,688,985 which includes additions totaling Kshs.6,446,103 that were not supported with payment vouchers and procurement records.

2.4 Inventories

The statement of financial position and as disclosed in Note 17 to the financial statements reflects inventories balance of Kshs.1,078,194. However, the following anomalies were noted;

- i. The inventories balances were not supported with stores records which include details of the items received, issues from the stores and details of items held in stock. Further, a summary of inventory movement during the year indicating opening balance at the beginning of the year, additions during the year and the closing balance were not provided for audit verification.
- ii. Management did not provide quarterly and annual reports on inventory and stock take.
- iii. Management had not developed an Inventory Policy to guide on inventory management, stores and optimum stock levels.

Physical verification carried out in the month of February, 2025 revealed that some items such as printer cartilages and a printer had been left to deteriorate in the store and Management did not keep their records.

- iv. Inspection of facilities revealed that the College had a library equipped with learning materials and text books. However, the value of the learning materials and text books was not included in the inventory balance.
- v. The College did not prepare an annual disposal plan for items declared obsolete.

2.5 Use of Goods and Services

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects use of goods and services amount of Kshs.47,547,136. Included in the expenditure is training expenses amount of Kshs.1,847,352, students' activities expenses of Kshs.5,410,742 and internet expenses of Kshs.600,000. However, payments totalling Kshs.1,473,450, Kshs.2,683,600 and Kshs.600,000 respectively were not supported with relevant documents including training approvals, requisite procurement documents, the advertisement, tender opening minutes and register, tender evaluation committee reports, letters appointing both opening and evaluation committee and evidence of regret letters sent to the unsuccessful bidders.

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

3. Misstatement of Revenue

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects rendering of services - fees from students amount of Kshs.55,704,219. Analysis of the receivables from exchange transaction balance in the

statement of financial position reflects an increase of Kshs.12,746,375 which, according to the supporting schedule provided for audit, related to the year under review and should have been accrued. However, the reported revenue did not include any accrued amount, resulting to understatement of revenue by Kshs.12,746,375.

In the circumstances, the accuracy and completeness of the revenue amount of Kshs.55,704,219 could not be confirmed.

4. Discrepancies in Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 15 to the financial statements reflects cash and cash equivalents balance of Kshs.12,483,476. However, analysis of the cashbook reflected a cashbook balance of Kshs.8,428,448 resulting to an unreconciled and unexplained variance of Kshs.4,055,028. Further, the College maintained a bank account with a bank balance of Kshs.3,155 that had been dormant since the financial year ended 30 June, 2020 incurring bank charges. The bank reconciliation for this account was also not signed and approved by the Head of Finance. In addition, two bank accounts with reported balances of Kshs.3,155 and Kshs.90,578 respectively were not supported with bank statements.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.12,483,476 could not be confirmed.

5. Long Outstanding Receivables from Exchange Transactions

Note 16(a) to the financial statements reflects current receivables from exchange transactions balance of Kshs.25,311,835. Included in the balance are receivables amounting to Kshs.9,155,936 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance. Further, Management did not provide any evidence or measures taken to pursue debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the College are collected and banked.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.25,011,835 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total revenue budget and actual revenue on a comparable basis of Kshs.123,674,699 and Kshs.80,364,861 respectively resulting to an underfunding of Kshs.43,309,838 or 35% of the budget. Similarly, the statement reflects total expenditure of Kshs.63,348,855 against actual revenue of Kshs.80,364,861 resulting to an under-expenditure of Kshs.17,016,006 or 21% of the actual revenue.

Further, the statements reflect total expenditure budget of Kshs.123,674,699. However, the approved budget was not provided for audit review. Failure to prepare and approve the budget is contrary to Regulation 31(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the draft estimates relating to his or her department are prepared in conformity with the Constitution, the Act and the Regulations.

The underfunding and under - utilization affected planned activities and may have had a negative impact on resource management and service delivery by the College.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

In connection with my audit on the Kasarani Technical and Vocational College financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or

my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of

this other information and I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Laws on Standing Imprest

Review of bank statements of the bank accounts held by the College revealed that Management made cash withdrawals totalling Kshs.9,415,000 as standing imprests to facilitate daily office operations. However, review of the memorandum cashbook for the standing imprest revealed the following anomalies;

- i. The officers issued with standing imprest did not complete an imprest warrant with the details of the amount and the purpose of the imprest.
- ii. Standing imprest was used to pay salaries, motivational allowances and casuals.
- iii. Management issued standing imprests for procurement of items that were above the threshold of low value goods contrary to Section 108 of the Public Procurement and Asset Disposal Act, 2015 which has set the threshold of low value goods at Kshs.50,000 per item.
- iv. It was observed that in some instances, the College issued standing imprest over and above the approved limit of Kshs.300,000 per week.

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

2. Irregular Opening of Bank Accounts

The statement of financial position and as disclosed in Note 15 to the financial statements reflects cash and cash equivalents balance of Kshs.12,483,476. Included in the balance is bank account balance of Kshs.90,578 whose bank account was opened in the financial year under review for revenue collection. However, Management did not provide approval from the Board of Governors and the National Treasury on opening and maintaining the bank account. This was contrary to Section 82(4) of Public Finance Management (National Government) Regulations, 2015 which states that except with the prior authority of the National Treasury, no Accounting Officer may open a bank account for the deposit, custody or withdrawal of public moneys or other moneys for which he or she is responsible in his or her official capacity or for the transaction of official banking business.

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

3. Lack of Land Ownership Documents

The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.294,658,717. Included in the balance is land valued at Kshs.126,000,000. However, the College was not in possession of any land ownership documents such as title deed to prove ownership of the land.

In the circumstances, the ownership of the land valued at Kshs.126,000,000 could not be confirmed.

4. Un-Procedural Recruitment

The College engaged casuals and interns during the year under review. However, the recruitment process revealed the following anomalies;

- i. The recruitment plan was not provided for audit review.
- ii. The recruitment process could not be confirmed since it was not supported with advertisement made, list of applicants, shortlisted applicants and appointment letters.
- iii. It was established that the College did not have an approved standard rate for paying interns. The rate of stipend varied from one intern to another.
- iv. Management did not confirm staff after the lapse of the probation period of six (6) months, therefore failing to comply with its own guidelines.

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

5. Unsupported Remuneration of Board Members

The statement of financial performance and as disclosed in Note 12 to the financial statements reflects Board expenses amount of Kshs.2,417,000. Review of the documents

presented for audit revealed that the Board held six (6) full Board meetings in the year under review. However, no invitations or requisitions for special Board meetings was made by the chairperson or members of the Board. Further, the Board minutes were not signed by the Board chairperson and the acceptance letters for appointment of three (3) Board members were also not presented for audit.

In addition, the Board notice for every Board meeting was not convened by giving at least fourteen (14) days' notice in writing to every member. This was contrary to Section 11(3) of the Second Schedule of the Technical and Vocational Education and Training Act, 2013 which requires the chairperson to requisition in writing, to convene a special meeting of the Board at any time for the transaction of specific business.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Disaster Recovery Plan and Risk Management Policy

Review of the College's ICT environment revealed that there was no IT disaster recovery plan in place that would reduce impact on operations in case of outage or disruption to ICT systems likely to occur. Further, the College may not recover or restore critical infrastructure services and systems which may affect all operations that rely on the ICT systems. In addition, the College does not have a Risk Management Policy in place.

In the circumstances, the effectiveness of the internal controls could not be confirmed.

2. Lack of Annual Governance Audit and Performance Evaluation

Review of records at the College relating to the Board activities revealed no evidence of the Board having undertaken an annual governance audit during the year under review. The audit is expected to address governance practices including leadership and strategic management, transparency and disclosure, compliance with laws and regulations, Board independence and governance, consistent shareholder engagement and value enhancement among others. Further, the Board did not conduct self-evaluation of its performance on an annual basis as required by Mwongozo and the Board Charter that requires the Board of Directors to carry out annual performance evaluation and file a report with the parent ministry and the State Corporations Advisory Committee.

In the circumstances, the effectiveness of the internal controls in governance could not be confirmed.

3. Lack of Qualification in Audit Committee

It was observed that members of the audit and risk management committee lacked qualification in finance and membership of a professional body in good standing as provided in the Mwongozo. Further, the head of internal audit was not a member of the professional body responsible for regulating auditors.

In the circumstances, the effectiveness of the internal controls in governance could not be confirmed.

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

Responsibilities of Management and the Board of Governors

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain 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 cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 May, 2025

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

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

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	24,261,425	16,799,000
		24,261,425	16,799,000
Revenue from Exchange transactions			
Rendering of services- fees from students	7	55,704,219	36,847,497
Sale of goods	8	119,213	97,774
Miscellaneous income	9	280,004	278,500
Revenue from Exchange transactions		56,103,436	37,223,771
Total Revenue		80,364,861	54,022,771
Expenses			
Use of goods and services	10	47,547,136	33,522,149
Employee costs	11	12,242,209	12,809,337
Board of Governor's Expenses	12	2,417,000	2,045,000
Depreciation and amortization expense	13	6,510,845	5,159,808
Repairs and maintenance	14	1,142,510	584,841
Total Expenses		(69,859,700)	(54,121,135)
Other Gains/(Losses)			
Total Other Gains/(Losses)			
Net surplus/(deficit) for the year		10,505,161	(98,364)

(The notes set out on pages 7 to 40 form an integral part of the Annual Financial Statements).

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

Mr. John Kamuiru

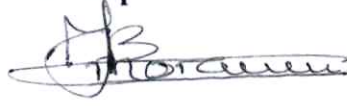
Ms. Josephine Begi

CPA Josiah Nyauncho

Chairman of Board

Principal

Finance Officer ICPAK No 29221


Date: 26.09.2024

Date: 26.09.2024

Date 26.09.2024

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

Current Assets			
Cash and cash equivalents	15	12,483,476	6,561,626
Current portion of receivables from exchange transactions	16(a)	25,311,835	12,265,460
Inventories	17	1,078,194	1,070,961
Total Current Assets		38,873,505	19,898,047
Non-Current Assets			
Property, plant and equipment	18	294,658,717	297,968,555
Intangible assets	19	4,578,359	1,469,609
Biological Assets	20	-	378,770
Total Non-current Assets		299,237,076	299,816,934
Total Assets (A)		<u>338,110,581</u>	<u>319,714,981</u>
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	21	1,205,064	2,710,172
Current provisions	22	2,119,372	1,096,730
Total Current Liabilities		3,324,436	3,806,902
Non-Current Liabilities			
Total Non-current liabilities			
Total Liabilities (B)		3,324,436	3,806,902
Net Assets (A-B)		<u>334,786,145</u>	<u>315,908,079</u>
Represented By:			
Revaluation Reserves			
Accumulated Surplus		17,066,787	21,533,980
Capital Fund		317,719,358	294,374,099
Net Assets		<u>334,786,145</u>	<u>315,908,079</u>

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

Mr. John Kamuiru

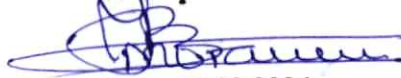
Chairman of Board



Date: 26.09.2024

Ms. Josephine Begi

Principal



Date: 26.09.2024

CPA Josiah Nyauncho

Finance Officer (CPAK No. 29221)



Date 26.09.2024

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

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total	Total
At July 1, 2023 (<i>previous year</i>)	295,545,765	21,533,980		-	317,079,745
Revaluation gain	-	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-	-
Capital grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2023	295,545,765	21,533,980	-	-	317,079,745
At July 1, 2023 (<i>current year</i>)	-	-	-	-	-
Revaluation gain	317,722,513	-	-	-	317,722,513
Surplus/(deficit) for the year	-	10,505,161	-	-	10,505,161
Capital grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
Retained earnings	-	6,558,471	-	-	6,558,471
At June 30, 2024	317,722,513	17,063,632	-	-	334,786,145

Note:

The prior year opening revaluation reserve had been adjusted to reflect the donated amount of assets purchased and provided by the parent ministry which was in US dollars into Kenya Shillings hence adjusted to Kshs. 295,545,765 and more purchase of other PPE'S in Kenya shillings for the period under review.

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

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

Description	2023-2024		2022-2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt.	6	24,261,425	16,799,000
Grants			
Rendering of services- fees from students	7	55,704,219	36,847,497
Sale of goods	8	119,213	97,774
Miscellaneous income	9	280,004	278,500
Total Receipts		80,364,861	54,022,771
Payments			
Compensation of employees	10	12,242,209	12,809,337
Use of goods and services	11	47,547,136	33,496,649
Repairs maintenance and improvements	14	1,142,510	584,841
Board of Governors expenses	12	2,417,000	2,045,000
Total Payments		(63,348,855)	(48,935,827)
Net cash flows from operating activities		17,016,006	5,061,444
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(11,094,157)	(5,774,078)
Net cash flows used in investing activities		(11,094,157)	(5,774,078)
Cash flows from financing activities			
Net cash flows used in financing activities			
Kasarani Tvc Development Account 1225283817		3,155.00	3,155
Net Increase/(Decrease) in Cash and Cash equivalents		5,921,850	(712,634)
Cash and cash equivalents at 1 July 2023	15	6,561,626	7,271,105
Cash and cash equivalents at 30 June 2024	15	12,483,476	6,561,626

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

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

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

Description	Original budget	Adjustments	Final	Actual on comparable basis	Performance difference	Utilization Difference	Explanation of material variances
			budget				
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%	%
Transfers from other National Government entities	60,000,000	-	60,000,000	24,261,425	(35,738,575)	59.56	a
Rendering of services- fees from students	63,274,699	-	63,274,699	55,704,219	(7,570,480)	11.96	b
Sale of goods	200,000	-	200,000	119,213	(80,787)	40.39	c
Miscellaneous Income	200,000	-	200,000	280,004	80,004	40.00	d
Total Income	123,674,699	-	123,674,699	80,364,861	-	35.02	
					43,309,838		
Expenses							
Use of goods and services	99,616,739	(2,500,000)	97,116,739	47,547,136	49,569,603	51.04	e
Employee costs	11,317,960	2,500,000	13,817,960	12,242,209	1,575,751	11.40	f
Board Expenses	4,940,000	-	4,940,000	2,417,000	2,523,000	51.07	g
Repairs and maintenance	7,800,000	-	7,800,000	1,142,510	6,657,490	85.35	h
Total Expenditure	123,674,699	-	123,674,699	63,348,855	(60,325,844)	48.78	
Surplus For the Period	-	-	-	17,016,006	(17,016,006)	-	-
Capital Expenditure	-	-	-	-	-	-	-

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Budget Notes	Explanation
a)	The movement is due to the budgeted capitation and scholarship amount which was not disbursed as anticipated for the period under review
b)	The movement is due to the budgeted fees payments through AIA from 2,300 trainees who budgeted for but the college only managed to recruit approximately 2,000 who again their HELB loans were not disbursed in time for the period under review.
C and d	The movement is due to some of the budgeted income-generating unit (Production Unit) which the college budgeted for that had not picked up since they are at initial stage of implementation.
e	The movement is due to the various budget cuts done on some budgeted vote heads because of the undisbursed capitation funds and the shortfalls from trainees' fee collection.
f	The movement is due to some of the employee added both teaching and non-teaching in the period to take up some position because of more increase of trainees as well as emerging issues like security necessitated employment of security officer for the period under review
g	The movement is due to the training of new board members that was budgeted for that was not done.
h	The movement is due to the various budget cuts done on some repairs and maintenance because of the undisbursed capitation funds and trainees fee shortfalls

Notes to the Financial Statements

1. General Information

Kasarani Technical and Vocational College entity is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer Technical, Vocational Education and Training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* 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 Note one onwards. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, *and Public audit Act, Ktvc policies* 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 2023.

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

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Standard	Effective date and impact:
	<p>omitted when IPSAS 41 was issued.</p> <p>d) 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>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits, as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41, which is applicable from 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

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 cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
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

Kasarani technical and vocational College did not early-adopt any new or amended standards in year 2022 the entity adopted standard 2022 and 2023. The impact of these standards on entity's financial statements is *amend appropriately in the financial year 2022/2023*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The Council or Board approved the original budget for FY 2023/2024 on **28/06/2023**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded no additional appropriations on the FY 2023/2024 budget in any of their Board meetings. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **9** under section **Actual on comparable basis** of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule **first of the *Income tax*** Act (470).

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)

Summary of Significant Accounting Policies (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 an estimated life span-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

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

r) Related parties

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the *Entity*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 22.

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.

BASED ON IPSAS-19

BRACKET	0-90DAYS	91-180DAYS	181-270DAYS	271-360DAYS	ABOVE 360DAYS	0-90DAYS
Corporates e.g. APA, CIC, Individual etc.	0%	2%	5%	10%	20%	100%
Government clients e.g. NCC, NHIF, KRA etc.	0%	2%	5%	10%	20%	100%
Corporate Capitations	0%	0%	0%	0%	10%	100%
Government Capitations	0%	0%	0%	0%	0%	0%
Adopted from the National government provisions						

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2023-2024	2022-2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	24,261,425.00	16,799,000
Operational Grant		
Development grants		
Other Grants	24,261,425	16,799,000
Total unconditional Grants		
Conditional Grants amortised/ recognised in revenue		
Library Grant		
Hostels Grant		
Administration Block Grant		
Laboratory Grant		
Learning Facilities Grant		
Other Organizational Grants		
Total Government Grants and Subsidies	24,261,425	16,799,000

(a) Transfers from other Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2022-2023
	Kshs	Kshs			
			Kshs	Kshs	Kshs
State Department of Vocational and Technical Training					
Ministry of Education	24,261,425	-	-	24,261,425	16,799,000
Total	24,261,425	-	-	24,261,425	16,799,000

(NB: Total of column 1 should tie to the first part of note 6 on unconditional grants)

The details of the reconciliation have been included under appendix III

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Notes to the Financial Statements (Continued)

7. Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Fees	46,882,209	30,351,661
Activity Fees		
Industrial Attachment Fees		
Examination Fees	8,822,010	6,495,836
Library Fees		
Facilities And Materials		
Registration Fees		
Others (Specify)		
Total Revenue from The Rendering Of Services	55,704,219	36,847,497

The revenue from rendering of services is from the trainees fees paid by Helb, County, CDF, Sponsors and parents in conjunction with the examination fees paid for Kneec examination sat in the month of November 2023, March and July 2024 respectively.

8. Sale of Goods

Description	2023-2024	2022-2023
	Kshs	Kshs
Sale of Books-Log Books	80,810	37,000
Sale of Publications		
Sale of Farm Produce		
Cafeteria sales	38,403	60,774
Other		
Total Revenue from Sale of Goods	119,213	97,774

In this case, sale of goods refers to the revenue raise from the logbooks sold to trainees proceeding for attachment and some income generating from the trainees cafeteria.

9. Miscellaneous Income

Description	2023-2024	2022-2023
	Kshs	Kshs
Application fees	280,004.00	253,000
Others (specify)		25,500
Total other income	280,004	278,500

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Notes to the Financial Statements (Continued)

10. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching and learning materials	4,425,586	3,363,696
Industrial attachment costs	773,150	170,800
Electricity	563,731	552,285
Water	526,612	374,435
Security	1,361,964	1,409,486
Professional and consultancy services		-
Subscriptions	1,717,512	769,600
Advertising	2,379,500	1,192,258
Examination fees	8,822,010	7,727,130
Audit fees	300,000	-
Catering, conferences, and delegations	1,701,876	4,010,240
Travelling and accommodation	12,728,127	5,048,990
Postage		
Printing and stationery	3,114,219	2,315,413
Hire charges	5,410,742	4,793,041
Rent expenses	282,031	98,110
Skills development levies	200,000	-
Telephone expenses	308,500	-
Internet expenses	600,000	566,500
Training expenses	1,847,352	946,975
Bank transactional charges	7,964	11,990
Performance contracting	476,260	171,200
Total good and services	47,547,136	33,522,149

Notes to the Financial Statements (Continued)

11. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	12,242,209	12,809,337
Employee related costs - contributions to pensions and medical aids		
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances	-	
Overtime payments		
Social contributions		
Employee Costs	12,242,209	12,809,337

12. Board Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Chairman's Honoraria	16,000	
Board of Governors Emoluments and Allowances	1,360,100	1,161,500
Other Allowances	80,000	30,000
Other Board Training Expenses	960,900	853,500
Total director emoluments	2,417,000	2,045,000

13. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	6,469,595	5,136,605
Intangible assets	41,250	23,203
Investment property carried at cost		
Total depreciation and amortization	6,510,845	5,159,808

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Notes to the Financial Statements (Continued)

14. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Property		
983,488		364,437.00
Investment property – earning rentals		
Equipment and machinery		
70,522		175,404.00
Vehicles		
Furniture and fittings		
80,500		45,000.00
Computers and accessories		
8,000		
Total Repairs and Maintenance	1,142,510	584,841

15. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Kasarani Tvc Operations Account 1225283809	12,389,743	6,558,471
Cash	-	
Kasarani Tvc Development Account 1225283817	3,155	3,155
Cash at Hand	-	
Kenya Commercial bank 1316351254	90,578	
Total cash and cash equivalents	12,483,476	6,561,626

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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Notes to the Financial Statements (Continued)

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

Description		2023-2024	2022-2023
Financial Institution	Account number	Kshs	Kshs
a) Current Account			
Kenya Commercial Bank Equity Bank, etc.	1225283809	12,389,743	6,558,472
Sub- Total		12,389,743	6,558,472
b) On - Call Deposits			
Kenya Commercial Bank Equity Bank – etc.	1316351254	90,578.00	
Sub- Total		90,578.00	
c) Fixed Deposits Account			
Kenya Commercial Bank Bank B	1225283817	3,155.00	3,155
Sub- Total		3,155	3,155
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank Bank B			
Sub- Total			
e) Others(Specify)			
Cash in Transit			
Cash in Hand			
Mobile Money account			
Sub- Total			
Grand Total		12,483,476	6,561,627

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Notes to the Financial Statements (Continued)

16. Receivables from Exchange transactions

16 (a) Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Staff Advances	300,000.0	-
Student debtors		
	26,328,248	13,362,190
Less: Impairment Allowance 5%	(1,316,412)	(1,096,730)
Total Current Receivables	25,311,835	12,265,460

16 (b) Long- term Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Portion Transferred To Current Receivables		
Total Non-Current Receivables	-	-
Total Receivables	25,311,835	12,265,460

16 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2023-2024		2022-2023	
	Kshs	% of the total	Kshs	% of the total
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	17,172,311	65	544,452	4
Between 1- 2 years	9,155,936	35	8,497,235	64
Between 2-3 years	-	0	4,320,503	32
Over 3 years	-	%	-	%
Total (a+b)	26,328,248	100.0	13,362,190	100.0

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Notes to the Financial Statements (Continued)

17. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable stores	970,245	846,555
Maintenance stores		
Health Unit stores	5,702	
Electrical stores		111,720
Cleaning Materials stores	60,720	36,871
Catering stores	41,527	75,815
Total Inventories at lower of Cost and Net Realizable Value	1,078,194	1,070,961

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Notes to the Financial Statements (Continued)

18. Property, Plant and Equipment

Description	Land	Buildings	Semi-Parmanet Buildings(Classrooms)	Furniture and fittings	Computers and related equipment	Other Assets	equipment	equipment	Plant and	Capital	Total
	Shs					CCTV	firefighting equipment	Tank	equipment	Work in progress	
Cost	0	2%	5%	10%	25%	25%	15%	10%	2%	-	Shs
Opening Book Net Book value 2018	126,000,000	66,642,640	6,904,297	11,533,244	4,013,445	290,000	92,452	88,200	106,515,987	-	322,080,265
At 1 July 2022	126,000,000	63,976,934	3,816,436	4,986,461	2,843,989	217,500	78,584	79,380	98,455,884	-	300,455,169
Additions	-	-	2,822,386	432,221	181,150	-	-	88,200	297,700	552,421	4,374,078
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-	-	-
At 30 th June 2023	126,000,000	63,976,934	6,638,822	5,418,682	3,025,139	217,500	78,584	167,580	98,753,584	552,421	304,829,247
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-	-	-
At 30 th June 2023	126,000,000	63,976,934	6,638,822	5,418,682	3,025,139	217,500	78,584	167,580	98,753,584	552,421	304,829,247
Depreciation And Impairment	-	-	-	-	-	-	-	-	-	-	-
At 1 July 2022	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	2,665,706	265,475	101,765	988,306	72,500	13,868	8,820	2,241,956	-	6,358,395
Impairment	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2023	-	2,665,706	265,475	101,765	988,306	72,500	13,868	8,820	2,241,956	-	6,358,395
Depreciation	-	1,332,853	204,096	519,628	969,396	72,500	13,868	8,820	2,015,445	-	5,136,605
Disposals	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-

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Transfer/Adjustment												
At 30 th June 2023	-	3,998,558	469,571	621,393	1,957,701	145,000	27,736	17,640	4,257,401	-	11,495,000	
Net Book Values	126,000,000	62,644,081	6,434,726	4,899,054	2,055,744	145,000	64,716	158,760	96,738,139	-	299,140,221	
At 30 th June 2022	126,000,000	63,976,934	3,816,436	4,986,461	2,843,989	217,500	78,584	79,380	98,455,884	-	300,455,169	
At 30 th June 2023	126,000,000	62,644,081	6,434,726	4,899,054	2,055,744	145,000	64,716	158,760	95,566,473	-	297,968,555	
At 1 July 2023	126,000,000	63,976,934	3,816,436	4,986,461	2,843,989	217,500	78,584	79,380	98,455,884	-	300,455,169	
Additions		4,593,035	-	924,647	400,000	-	-	-	6,250,461	520,842	12,688,985	
Disposals		-										
Transfers/Adjustments												
At 30 th June 2024	126,000,000	68,569,969	3,816,436	5,911,108	3,243,989	217,500	78,584	79,380	104,706,345	520,842	313,144,154	
Additions												
Disposals												
Transfer/Adjustments												
At 30 th June 2024	126,000,000	68,569,969	3,816,436	5,911,108	3,243,989	217,500	78,584	79,380	104,706,345	-	312,623,312	
Depreciation And Impairment	-	3,998,558	469,571	621,393	1,957,701	145,000	27,736	17,640	4,257,401	-	11,495,000	
At 1 July 2023												
Depreciation	-	3,998,558	469,571	621,393	1,957,701	145,000	27,736	17,640	4,257,401	-	11,495,000	
Impairment												
At 30 June 2024	-	3,998,558	469,571	621,393	1,957,701	145,000	27,736	17,640	4,257,401	-	11,495,000	
Depreciation	-	1,424,713.49	345,214.85	1,245,789.10	1,103,361.25	72,500.00	13,867.80	8,820.00	2,255,328.96	-	6,469,595	
Disposals												
Impairment												
Transfer/Adjustment												

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At 30 th June 2024	-	5,423,272	814,786	1,867,182	3,061,063	217,500	41,603	26,460	6,512,730		17,964,595
Net Book Values	126,000,000	58,553,662	3,001,650	4,043,927	182,927	-	36,981	52,920	98,193,615		-294,658,717
At 30 th June 2024	126,000,000	68,569,969	3,816,436	5,911,108	3,243,989	217,500	78,584	79,380	104,706,345	520,842	313,144,154
At 30 th June 2023	126,000,000	58,553,662	3,001,650	4,043,927	182,927	-	36,981	52,920	98,193,615		-294,658,717
<i>Work In Progress: Making of temporary exterior Classrooms</i>											

The donated amount of property, plant and equipment of Us dollars 1,003,977.00 was converted onto Kshs 102,903,125.00 at the rate of one USD to kshs at 102.50 exchange rate of the year 2019 when the items were procured. (Source CBK)

Kasarani Technical and Vocational College
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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). The assets were revalued by information provided by the ministry professional values on the schedule of items donated to various college. These amounts were adopted in the financial statements on 12th January 2022

18 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	126,000,000	-	126,000,000
Buildings	71,235,675	12,682,012	58,553,662
Semi- Permanent Buildings (Mabati Structures)	8,892,388	4,329,770	4,562,618
Plant and machinery	107,246,001	9,446,325	97,799,676
Office equipment, furniture, and fittings	6,445,094	2,401,167	4,043,927
Computers and related equipment	4,413,445	1,169,456	3,243,989
CCTV	290,000	72,500	217,500
Firefighting equipment	92,452	13,868	78,584
Tank	176,400	17,640	158,760
Total	324,791,455	30,132,738	294,658,717

19. Intangible Assets

Description	2023-2024	2022-2023
	KShs	KShs
NATURE	ERP	SOFTWARE
Cost	1,565,000	
At beginning of the year	-	92,813
Additions	3,150,000	-
At end of the year	4,715,000	92,813
Additions—internal development	-	-
At end of the year	4,715,000	92,813
Amortization and impairment		
At beginning of the year	1,400,000	92,813
Amortization	-	23,203
At end of the year	95,391	69,609
Impairment loss	41,250	-
At end of the year	136,641	69,609
NBV	4,578,359	69,609
<i>Work In Progress: Making of temporary exterior Classrooms</i>		1,400,000
NBV	4,578,359	1,469,609

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Notes to the Financial Statements (Continued)

20. Biological Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Cattle		-
Trees	-	378,770
Others (Specify)		-
Total	-	378,770

21. Trade and Other Payables

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade payables	1,205,064	2,710,172
Fees paid in advance		
Audit fees		-
Third-party payments		
Other payables		
Total trade and other payables	1,205,064	2,710,172
Ageing analysis:	2023-2024	2022-2023
Under one year	1,205,064	2,710,172.40
1-2 years		-
2-3 years		-
Over 3 years		-
Total (to tie to totals above)	1,205,064.00	2,710,172.40

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Notes to the Financial Statements (Continued)

22. Current Provisions

Description	0-90DAYS	91-180DAYS	181-270DAYS	271-360DAYS	ABOVE 360DAYS	TOTAL
Trade Receivables	9,710,792.76	5,248,096.09	762,382.47	1,451,039.92	9,155,936.30	26,328,247.54
Rate in %	0	0.02	0.05	0.1	0.2	
Provisions	-	104,961.92	38,119	145,104	1,831,187	2,119,372

Note:

BASIS OF PROVISION FOR DOUBTFUL DEBTS

BASED ON IPSAS-19

BRACKET	0-90DAYS	91-180DAYS	181-270DAYS	271-360DAYS	ABOVE 360DAYS	361 Days and Above
Corporates e.g. APA, CIC, Individual etc.	0%	2%	5%	10%	20%	100%
Government clients e.g. NCC, NHIF, KRA etc.	0%	2%	5%	10%	20%	100%
Corporate Capitations	0%	0%	0%	0%	10%	100%
Government Capitations	0%	0%	0%	0%	0%	0%

Adopted from the National government provisions

CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Bad Debtors provision	Total
	KShs	KShs	KShs	KShs
Balance at beginning of the year/ period	-	-	1,831,187	1,831,187
Additional Provisions for the period	-	-	288,185	288,185
Provision utilised during the period	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non-current provisions	-	-	-	-
Total provisions as at end of year/ period	-	-	2,119,372	2,119,372

Notes to the Financial Statements (Continued)

23. Employee Benefit Obligations
Retirement benefit Asset/ Liability

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 360 per employee per month. Employees contribute 50% while employers contribute 50% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Notes to the Financial Statements (Continued)

24. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount	Fully performing
	Kshs	Kshs
At 30 June 2023		
Receivables from exchange transactions	12,265,460.07	12,265,460.07
Receivables from non-exchange transactions	-	-
Bank balances	6,561,627	6,561,627
Total	18,827,086.57	18,827,086.57
At 30 June 2024		
Receivables from exchange transactions	25,011,835	25,011,835
Bank balances	12,783,476	12,783,476
Total	37,795,311.16	37,795,311.16

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Financial risk management (continued)

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

The entity has significant concentration of credit risk on amounts due from trainee's fees.

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

(ii) Liquidity risk management

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

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

Description	Less than 1	Between 1-3	Over 5	Total
	month	months	months	
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023 (previous year)				
Trade Payables	-	xxx	2,710,172	2,710,172.40
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	1,096,730	1,096,730
Total	-	-	3,806,902	3,806,902
At 30 June 2024 (current year)				
Trade Payables		0.00	1,205,064	1,205,064.00
Current Portion Of Borrowings	-	-		
Provisions	-	-	2,119,372	2,119,372
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	0.00	0.00	3,324,436	3,324,436

Notes to the Financial Statements (Continued)

(iii) Market risk

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

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

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

iv) Capital Risk Management

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings	19,327,171	- 98,364
Capital Reserve	338,508,954	317,079,745
Total Funds	357,836,125	316,981,381
Total Borrowings		-
Less: Cash and Bank Balances	- 12,783,476	- 6,558,471
Net Debt/(Excess Cash and Cash Equivalents)	12,783,476	6,558,471
Gearing	-	-

Notes to the Financial Statements (Continued)

25. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;
- v) Other Ministries, Departments and Agencies;
- vi) County Governments;
- vii) Semi- Autonomous Government Agencies;

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Notes to the Financial Statements (Continued)

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies		-
Rent income from govt. agencies		-
Water sales to govt. agencies		-
Others (specify)		-
Total		-
B) Purchases from related parties		
Purchases of electricity from kplc	563,731	1,192,258
Purchase of water from govt service providers		
Rent expenses paid to govt agencies		-
Training and conference fees paid to govt. agencies	1,847,352	1,594,775
Others (specify)		-
Total	2,411,083	2,787,033
b) Grants /Transfers from the Government		
Grants from National Govt	24,261,425	16,799,000
Grants from County Government		-
Donations in Kind		-
Total	24,261,425	16,799,000
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for BOG Employees	12,242,209	12,809,337
Payments for Goods and Services for periods	38,725,126	33,496,649
Total	50,967,335	46,305,986
d) Key Management Compensation		
Directors' emoluments	2,417,000	2,045,000
Compensation to Key Management		-
Total	2,417,000	2,045,000

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

Notes to the Financial Statements (Continued)

26. Capital Commitments

Capital Commitments	2023-2024	2022-2023
Authorised for	Kshs	Kshs
Authorised and Contracted for	7,087,877	5,167,785
Total	7,087,877	5,167,785

As per the IPSAS 17 on capital commitments that are required to be disclosed. The entity wish to disclose that the board approved a salary of Kshs. 3,529,377.00 for the month of June, July and august to be committed and payment of pending bills amount to kshs. 2,558,500.00 although not capital in nature but operation expenditures for the next financial year. This is due to the delayed capitation disbursement for the periods under reviews.

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

Notes to the Financial Statements (Continued)

27. Events After The Reporting Period

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

28. Ultimate And Holding Entity

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

29. Currency

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

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

19. 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)
1. Inaccuracies in the financial statements	<p>The statement of financial performance and as disclosed in the Note 15 to the financial statements reflects repair and maintenance expenditure total amount of Kshs. 943,040 while the trial balance reflects and expenditure of Kshs 492,783 resulting to an explained variance of Kshs 450,257. Further, the statement of financial position indicates capital fund opening balance of Ksh 17,549,200 while the statement of changes in net assets indicates opening balance of Ksh 214, 198,280 as at 1 July 2021 resulting to a variance of Kshs 196,649,080, which was not explained or reconciled.</p> <p>In addition. The statement of financial performance reflects another income comparative balance of Ksh 213,250 while Note 10 to the financial statements reflects a total amount of Kshs 95,200 resulting to an unexplained variance of Kshs 118,050.</p>			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	In the circumstances, the accuracy and completeness of the financial statements as presented could not be confirmed.			
2.Unsupported Revenue Amount	<p>The statement of financial performance reflects a total revenue of Kshs.50,686,193 which as disclosed in Notes 5 and 7 to the financial statements reflects transfers from the National Government totaling to Kshs.21,147,500 and rendering of services – fees from students amount of Kshs.29,258,355. However, the revenue was not supported with the list of students under Kenya Universities and Colleges Central Placement Service (KUCCPS) and the capitation per student, list of self-sponsored students and the amount of fee attributable to each of the students.</p> <p>In the circumstances, the accuracy and completeness of the revenue amounts of Kshs 50,560,193 not be confirmed</p>		Resolved	
3.Inaccurate and unsupported	The statement of financial performance and		Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
expenditure on Employee Costs	<p>Note 12 to the financial statements reflects expenditure in respect employee costs total payments of Kshs.7, 458,161. However, the ledger reflected a balance of Kshs.7, 174,161 while the payroll reflected an amount of Kshs.7, 189,161. In addition, a review of the sampled records provided for audit in support of employee costs revealed that in the year under review the College paid various staff members a total of Kshs.472, 500 paid to members of staff facilitation allowances were not supported.</p> <p>In the circumstances, the accuracy and completeness of the revenue amounts of Kshs 50,560,193 not be confirmed</p>			
<p>4.Unsupported Expenditure</p> <p>4.1 Local Transport and Travelling</p>	<p>The statement of financial performance and Note 11 to the financial statement reflects employee costs total payment an expenditure on use of goods and services totalling to Kshs. 27,811,307 which includes expenditure on local transport and travelling totalling to Kshs 602,320. Review of the records provided revealed that the expenditure was in respect of reimbursement of staff travel allowances. However, the payments were not supported</p>		Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	<p>with the evidence of transaction initiation, authority, and surrender.</p> <p>In the circumstances, the accuracy and propriety of expenditure on local transport and travelling could not be confirmed.</p>			
4.2	<p>The statement of financial performance and Note 13 to the financial statement reflects expenditure on Board totaling to Kshs 1,173,100. Review of the documents presented for audit revealed that the Board of the Institution held six (6) full board meetings in the year under review. However, no invitations or requisitions for special Board meetings was made by the chairperson or members of the Board. Further, there were no signed attendance registers or payment schedules for all the meetings held. The acceptance letters for appointment of the Board members were also not presented for audit.</p> <p>In the circumstances, the accuracy and</p>	<p>Please find the attached letters of the board acceptance letters for the appointment. On the accuracy of Kshs.1,173,100 spent by the Board in the year under review, the management wish to humbly plead that the online minutes be accepted as the</p>	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	propriety of Kshs.1, 173,100 expenditure on Board Expenses could not be confirmed.	only evidence for the attendance because of the Covid-19 period that necessitated this but going forward the management has adopted your guidance of keeping an attendance notebook for all the meetings		
5 Inaccuracy Cash and cash Equivalent Balance	The statement of financial position and Note 16 to the financial statements reflects cash and cash equivalents balance of Ksh. 7,271,105. Examination of records provided revealed unexplained variances between the cashbook balances and balances as per cashbook reflected in the bank reconciliation statements as indicated below:		Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)																																								
	<table border="1" data-bbox="786 539 1429 1198"> <thead> <tr> <th>Month</th> <th>Cashbook Balance Kshs.</th> <th>Cashbook Balances as Per Bank Reconciliation Statements Kshs.</th> <th>Variences Kshs.</th> </tr> </thead> <tbody> <tr> <td>October 2021</td> <td>5,620,138.64</td> <td>5,607,800.64</td> <td>12,338.00</td> </tr> <tr> <td>November 2021</td> <td>9,761,070.64</td> <td>8,764,127.64</td> <td>996,943.00</td> </tr> <tr> <td>December 2021</td> <td>9,700,677.64</td> <td>1,813,539.44</td> <td>7,887,138.20</td> </tr> <tr> <td>January 2022</td> <td>8,675,539.64</td> <td>754,758.39</td> <td>7,920,781.25</td> </tr> <tr> <td>Feb 2022</td> <td>8,524,757.64</td> <td>465,812.39</td> <td>8,058,945.25</td> </tr> <tr> <td>March 2022</td> <td>8,860,676.64</td> <td>1,555,421.19</td> <td>7,305,255.45</td> </tr> <tr> <td>April 2022</td> <td>6,042,856.64</td> <td>(1,079,950.91)</td> <td>7,122,807.55</td> </tr> <tr> <td>May 2022</td> <td>7,849,873.64</td> <td>630,348.09</td> <td>7,219,525.55</td> </tr> <tr> <td>June 2022</td> <td>13,378,833.64</td> <td>5,712,827.99</td> <td>7,666,005.65</td> </tr> </tbody> </table> <p data-bbox="770 1238 1391 1337">In the circumstances, the accuracy of the cash and cash equivalents balance of Ksh 7,271,105 could not be confirmed.</p>	Month	Cashbook Balance Kshs.	Cashbook Balances as Per Bank Reconciliation Statements Kshs.	Variences Kshs.	October 2021	5,620,138.64	5,607,800.64	12,338.00	November 2021	9,761,070.64	8,764,127.64	996,943.00	December 2021	9,700,677.64	1,813,539.44	7,887,138.20	January 2022	8,675,539.64	754,758.39	7,920,781.25	Feb 2022	8,524,757.64	465,812.39	8,058,945.25	March 2022	8,860,676.64	1,555,421.19	7,305,255.45	April 2022	6,042,856.64	(1,079,950.91)	7,122,807.55	May 2022	7,849,873.64	630,348.09	7,219,525.55	June 2022	13,378,833.64	5,712,827.99	7,666,005.65			
Month	Cashbook Balance Kshs.	Cashbook Balances as Per Bank Reconciliation Statements Kshs.	Variences Kshs.																																									
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Kasarani Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
6.Unsupported property, plant and equipment balance	The statement of financial position and Note 19 to the financial statements reflects property plant and equipment balance of Kshs.206, 449,150. Included in this amount is land valued Kshs.126, 000,000. However, the basis of this valuation was not provided. Further, the breakdown of the various items under the classifications of assets and the assets register were not provided. In addition, the policy on depreciation was not disclosed under the accounting policy and the approved policy on depreciation was not provided for audit review.		Resolved	
	<p>In addition, the statements reflects property, plant and equipment comparative balance of Kshs. 7,396,752 while Note 19 to the financial statement reflects a balance of Kshs 201,780,615 resulting to an unreconciled variance of Ksh 194,383,863.</p> <p>In the circumstances, the accuracy of the property, plant and equipment balance of Kshs. 206,449,150 could not be confirmed.</p>		Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Other matter				
1. Budgetary control and performance	<p>The statement of comparison of budget and actual amounts reflects an expenditure budget of Kshs.61,442,805 against actual expenditure of Kshs.36,442,568 resulting in an under expenditure of Kshs.25,000,237 which is equivalent to about 41% underutilization of the total budget.</p> <p>The statement of comparison of budget and actual amounts reflects a budgeted revenue of Kshs.61,442,805 and actual collection of Kshs.50,686,193 resulting in an under collection of revenue of Kshs.10,882,612 which is equivalent to approximately 18% underutilization of the total budget.</p> <p>The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>The Kshs 10,756,612.00 is a variance of Kshs 126,000 adjusted from the sale of goods to affect the total rendering of services by the same amount. The management was unable to collect kshs 2,030,112.00 made for A-I-A due to the effect of Covid-19 that hampered revenues collection. Equally, the budgeted number of trainees targeted was 800 trainees but the total enrolment realized was 597</p>	Resolved	

Kasarani Technical and Vocational College
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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)
		<p>trainees. However, the greater percentage of unrealized funds was from the government capitation especially quarter four (Q4) funds that was not disbursed. Therefore, realizing quarter four would have enable the institution to meet some of the various budget activities that were hampered because of those unrealized funds resulting to budget cuts and underutilization of Kshs 14,535,783.00</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
2 Unresolved Prior year Matter		1		
4.1				
4.2 Irregular Procurement of goods and Services through use of imprest	<p>Include in this expenditure is Ks 3,906,922 in respect of procurement of goods and services through use of imprest. However, receipts and other supporting documentation were not provided and a memorandum cashbook was not maintained contrary to Regulations of the public finance management (National government) Regulations 2015 which provides that the holder of an imprest shall keep a memorandum cashbook to record all receipts and payments and the balance on hand shall agree with the cash balance recorded in the cash book and in the absence of any receipts, the actual cash balances plus the expenses paid shall be equal at all times the fixed level of the imprest for which the imprest holder is personally responsible.</p> <p>In the circumstances, Management was in</p>	<p>The management has employed the procurement officer and the finance officer who will approve all the petty cash expenditures before goods and services are procured and paid by the accountant. Accompanied is some of the payment vouchers surrendered in</p>	Resolved	

Kasarani Technical and Vocational College
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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)
	breach of the law	<p>support of the amount in question.</p> <p>However, the amount of money in question have been surrender through the payment vouchers given for auditing and the board has employed other officers (internal auditor) as well as establishing audit committee that will strengthen the internal control systems</p>		
4.3 Irregular Use of Quotation on Goods and Services	During the financial year under review, the College purchased stationery, printing works, school equipment and stores, and other	The management wish to submit that all the	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	<p>administration expenses amounting to Kshs.5,132,681 through the use of request for quotations. However, an analysis of the documents presented for audit revealed that the quotations were sent to single suppliers who had been prequalified and not on a rotational basis. Further, the entity did not carry out a market survey prior to the purchases and that there was no evaluation of the suppliers for competitiveness.</p> <p>In addition, there was no evidence that the goods were delivered, inspected and taken charge of in the store, contrary to the Act which provides that quotations should be sent to as many suppliers as possible but not less than three suppliers from the prequalified list of suppliers, an evaluation committee should be constituted for each procurement and that a market survey be done and be used as the basis for evaluation and goods delivered be inspected for quantity and conformity and be</p>	<p>quotations were sent to various suppliers who had been prequalified and those not prequalified for market survey purposes to guide the evaluation process. However, the management affirm that rotational basis of procurement was a challenge because of few suppliers prequalified in some categories due to road network. It was an oversight by</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	<p>taken charge. In the circumstances, Management was in breach of law</p>	<p>the accountant but we confirm through the vouchers provided that all have been properly accounted by the accounting officer signing those payment vouchers and where goods or services are involved, the delivery note have been signed by the acceptance committee member, storekeeper, and the representative of the end user</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
		<p>department. In addition, the management has taken up your recommendation to constitute and train an evaluation committee members together with the goods received and acceptance committees for each procurement and ensure that they carry out a market survey to be used as the basis for evaluation and goods delivered be inspected for quantity and</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
		conformity and be taken charge		
1.3 Irregular procurement of contracted services	<p>Included in this expenditure Kshs.338,700 for provision of internet services Kshs.900,000 for provision of security services Kshs.37,920 for the provision of group personal accident cover for students. While procuring these services, no a tender document as the basis of tender preparation and subsequent negotiations, did not to appoint an <i>ad hoc</i> evaluation committee to negotiate with the service providers; failed to ensure appropriate approvals under the Act have been granted and the resulting contracts are in writing and signed by both parties.</p> <p>In the absence of a written contractual agreements, it was not possible to ascertain the terms and conditions as well as the service levels the College expected to enjoy from the engagements and whether the College realized value for money from the expenditure.</p>	<p>Here, the management wish to submit to you the requisitions, advertisement, quotation and evaluation committees resolutions that was followed as per the Public Procurement and Asset Disposal Act, 2015 for the awarding the said companies. However, in those categories a few companies tendered to provide the</p>	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>services thus making it appear like a direct procurement. The management wish to inform you that there was an <i>ad hoc</i> evaluation committee appointed pursuant to section 46 that evaluated, negotiated and benchmarked from other similar institution to advice that value for money was realized.</p> <p>On engaged Fastnet Installers for provision of</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
		internet services the other competitive companies like ZUKU, poa internet, Safaricom among other would not provide services because of the non-responsive of non-service region coverage hence Fast net was the only internet provider in the area.		
Irregular and Unsupported Procurement of Development Projects	Information provided under management discussion and analysis section C indicates that the management planned and implemented eleven (11) key projects at a cost of Kshs.10,974,884 out of the seven (7) were	Here, the management wish to submit to you the requisitions, advertisement,		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>fully completed, three (3) were at advanced stages of completion while one (1) had not commenced. However, the following documents were not provided in support of the expenditure;</p> <ul style="list-style-type: none"> i. User requisition for the proposed works to be done in accordance with Regulation 9(1) of Public Procurement and Disposal Regulations 2020. ii. Evidence of the advertisements and or floatation of quotations in accordance with the Public Procurement and Asset Disposal Act, 2015. iii. Evaluation report prepared by Evaluation Committee in accordance with Section 80(4) of the Public Procurement and Asset Disposal Act, 2015. iv. Evidence of payment to the suppliers for the works done, goods received, or 	<p>and quotation and evaluation committees resolutions that was followed as per the Public Procurement and Asset Disposal Act, 2015 for the work that was done. It is worth noting that the list of prequalified suppliers provided during auditing was not an updated one and we regret for this. The management therefore, submit humbly the lists of updated suppliers updated on January 2022</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	<p>services rendered as the case may be.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>with all the companies that were awarded the contracts and how the process followed to adhere to the laws for those work.</p>		
3 Employee Costs	<p>The statement of financial position and Note 12 to the financial statements reflects expenditure in respect of employees costs totalling to Kshs 7,458,161. Review of payment records revealed the following:</p>			
4.12.1 Incomplete Personal Files	<p>A review of the staff personal files presented for audit revealed gaps in the information and documents filed in contravention of the institution's human resource manual as below;</p> <ul style="list-style-type: none"> i. The entries are not serialized making it easy to remove letters especially related to disciplinary cases. ii. The staff data and the payroll did not include the bank account numbers of the individual 	<p>The management has noted those errors and have made the necessary to ensure that they abide by the human resource laws and</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	<p>staff members. It was therefore not possible to ascertain the source of the account details in the payroll.</p> <p>iii. Personal files for some staff members had no letters of engagement yet they were in the payroll. It was therefore not possible to review their terms of service and to determine whether they were legally in the payroll.</p> <p>iv. The contracts for seven members expired on 4 April, 2022 but they were still in the payrolls of subsequent the months.</p> <p>v. A staff member whose appointment letter reads 1July, 2022 has been in the payroll since March, 2022 earning Kshs.13,572 per month totalling Kshs. 54,288.</p>	<p>regulations. More of your recommendations have been taken up to avoid such anomalies in future where some of the items like payroll being updated to include bank accounts and other key information but those for the period under review, we have provided all the attachment for your review.</p> <p>On the personal</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
		file and terms of engagement of the following staff; Joseph Maina, James Mwashimba, Anne Maina, James Mandere, Jesca Chepkoech, Mercy Cherotich, Mercy Ndungi, Innocent Oino and Mercy Jepkorir is for the current financial 2022/2023/ where will provide all the necessary documents of employment for		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
		your review.		
3.2 Irregular payment of salary	<p>The Kasarani Technical and Vocational Training's Human Resource Manual Section 6.6 provides that the Institution shall not offer salary advances. However, a review of the documents presented for audit revealed the following in respect to advances. It was noted that four members of staff did not have the salary advanced reflected in the following months payroll.</p> <p>Further, the College, did not provide records kept in regard to the management of the salary advances including list of staff with salary advances, request for the facility, proof of deductions on a regular basis from the beneficiaries 'salaries.</p> <p>In the circumstances, it was not possible to ascertain the basis, amount and authenticity of</p>	<p>The management has noted those errors and have made the necessary to ensure that they abide by the human resource laws and regulations. The members were deducted salary and those who were PSC employees paid directly to the college account and receipts given to them.</p>		

Kasarani Technical and Vocational College
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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)
	deductions on a regular basis from the beneficiaries 'salaries. In the circumstances, it was not possible to ascertain the basis, amount and authenticity of salary advanced during the year.	directly to the college account and receipts given to them.		
4 Irregular expenditure on Repairs and maintenance	The statement of financial performance and Note 15 to the financial statements reflects expenditure on repairs, maintenance and improvements to the premises amounting to Kshs.943,040. The procurement was made by way of quotations amounting to Kshs.345,390 and cash purchases amounting to Kshs.597,650. However, an analysis of the documents presented for audit revealed that the quotations were sent to single suppliers who had been prequalified. Further, the entity did not carry out a market survey prior to the purchases and that there was no evaluation of the suppliers for competitiveness.	Please find the updated list of prequalified suppliers updated on the month of January 2022. The list and the procurement of repairs, alterations, maintenance and improvements to the premises amounting to Kshs.943,040 evaluation meeting of awarding was done as per the		

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

Reference No. on the external audit Report	Issue - Observations from Auditor	Management comments	Status: Resolved / Not Resolved	Timeframe (Put a date when you expect the issue to be resolved)
	<p>In addition, there was no evidence that the goods were delivered, inspected and taken charge of in the store. Further, the cash purchases were made by way of imprests which was not surrendered, no ETR receipts accompanying the request for purchases and no evidence that the items whose receipts were presented were delivered and consumed by the entity.</p> <p>In the circumstances management was in breach of the law.</p>	<p>evidence provided with the PPR ACT 2012 and the PPRA Regulation of 2015.</p>		



Name: Ms. Josephine Begi
 Accounting Officer
 BOG Secretary/ Principal

Date 26/09/2024

Kasarani Technical and Vocational College
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Appendix II: Projects Implemented by Kasarani Technical and Vocational College

Projects

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

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

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	N/A						
2							
3							

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity...Ministry of Education. State department of technical and vocational college.....

Name of beneficiary entity...Kasarani Technical and vocational college.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June 2024

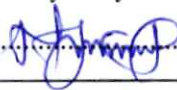
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	02/10/2023	Ksh5,593,000.00		Ksh5,593,000.00	
	18-Jan-2024	Ksh6,223,000.00		Ksh6,223,000.00	
	5-Feb-2024	Ksh7,112,000.00		Ksh7,112,000.00	
	31-May-2024	Ksh5,333,425.00		Ksh5,333,425.00	
Total		Ksh24,261,425.00		Ksh24,261,425.00	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

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Head of Accounts Department - Beneficiary Entity:
Name CPA Josiah Nyauncho Sign  Date..... 26/9/2024

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Trees Planting	TVET Greening	environment conservations	-Tree Planting -Growing of Trees	47,000	82,200	52,000	18,500	GOK	KCB and Equity Bank

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Appendix V: Reporting on Disaster Management Expenditure

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