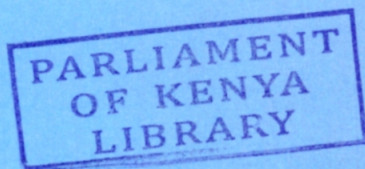


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



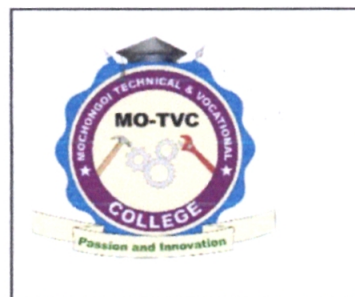
 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 03 JUN 2025	DAY.
TABLED BY:	DEPUTY LEADER OF THE MAJORITY PARTY
CLERK-AT THE-TABLE:	WILLIS OBIERO

THE AUDITOR-GENERAL

ON

**MOCHONGOI TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2023**



MOCHONGOI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2023**

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

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Table of Contents

1.	Acronyms &Glossary of Terms.....	ii
2.	Key Entity Information and Management	iii
3.	The Board of Governors.....	viii
4.	Key Management Team.....	x
5.	Chairman's Statement	xii
6.	Report of Senior Principal.....	xiii
7.	Statement of Performance against Predetermined Objectives	xvii
8.	Corporate Governance Statement	xviii
9.	Management Discussion and Analysis	xx
10.	Environmental and Sustainability Reporting Statement.....	xxi
11.	Report of the Board of Governors	xxiii
12.	Statement of Board of Governors Responsibilities	xxiv
13.	Report of the Independent Auditor on Mochongoi Technical and Vocational College	xxv
14.	Statement of Financial Performance for the Year Ended 30 June 2023.....	26
15.	Statement of Financial Position as At 30th June 2023	27
16.	Statement of Changes in Net Asset for the Year Ended 30 June 2023	28
17.	Statement of Cash Flows for the Year Ended 30 June 2023	29
18.	Statement of Comparison of Budget Actual amounts For Year Ended 30 June 2023	30
19.	Notes to the Financial Statements	31
20.	Appendices.....	52

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
Fiduciary Management the entity	Key management personnel who have financial responsibility in

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

2. Key Entity Information and Management

(a) Background information

Mochongoi TVC is a national Government TVET Institution registered with Technical and Vocational Education and Training Authority (TVETA) which is regulatory body as per TVET Act of 2013 Laws of Kenya. It was established on 9th September 2019 on admission of its first intake of 206 students.

The college is built on a 15 acre land hived from the expansive Ol-Arabel Forest Reserve and is within Kamaili Sub-location in Mochongoi Division – Baringo County.

The students were registered under 12 different technical courses each having between 5 and 30 students. By October of 2019 we had engaged 11 trainers to train the students enrolled. All students were taught in the 8 classes and 2 workshops contained in a single storey permanent building put up by the Government of Kenya under the Ministry of Education. All the 206 students were coming from the college catchment which extended to as far as 30km to 50km from the college.

The institution is the only TVET College in the expansive of Baringo south Sub-County and it also serves Laikipia east and west Sub-Counties due to its proximity to the two areas of Laikipia County.

(b) Principal Activities

GOAL

To persistently provide training Industry Driven Technical skills to every student to their full satisfaction

VISION

To be a National hub for Technical Skills and Development

MISSION

To offer Unmatched Training of Industry Driven Technical Skills in Kenya

CORE OBJECTIVES

- Integrity
- Efficiency
- Creativity and Innovation
- Continuous improvement
- Client focus

CHALLENGES

- Drop in student enrolment after opening colleges
- Lack of sufficient support from local leaders
- Insecurity around the student catchment area

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Mandate:

To create, promote and continuously provide relevant and up-to-date technological skills required by an advancing industrial economy.

(c) Key Management

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

- Board of Governors
- Accounting officer/ Principal

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Benjamin K. Kimitei
2.	Deputy Administration/Academics principal	Patrick N. Muturi
4	Ag. Registrar	Lawrence Boit
5	Ag. Dean of students	Alice Mwangi
6	Head of Finance	Joseph Kiprugut

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The key fiduciary Oversight committees are:

I. Finance, Governance and HR Committee
Members

- Peter Moindi- Chairperson
- Diana Chebotibin-Member
- Harun Mosop-Member
- Geoffrey Kosgei-Member
- Benjamin Kimitei- Member/Secretary

II. Audit & Risk Management Committee

Members

- Nancy A. Majiwa-Chairperson
- Tyson S. Leisano- Member
- Auditor- To be sourced from neighbouring institution

(f) Entity Headquarters

P.O. Box 299- 30403,
Kimoriot off Karandi – Kabel – Marigat road
Marigat
Baringo Kenya.

(g) Entity Contacts

Telephone: 0707413282

Email: mochongoitvc@gmail.com

(h) Entity Bankers

1. KCB Bank

Nyahururu Branch, Kenya

Account Name: Mochongoi Technical and Vocational College

Account Number: 1279892161(Operations Account)

2. KCB Bank

Nyahururu Branch, Kenya

Account 1 Name: MOCHONGOI Technical and Vocational College

Account Number: 1279889357(Infrastructure Account)

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

3. KCB Bank

Marigat Branch, Kenya

Account 2

Name: MOCHONGOI Technical and Vocational College

Account Number: 1275319777 (NG - CDF Account)

(i) Independent Auditors

Auditor-General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Key Entity Information and Management (Continued)

(j) Principal Legal Adviser

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

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

3. The Board of Governors

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Joseph R. Tuikong (BOG Chair)	Date of birth: 1967 Date of appointment: 10 th October 2020 Key qualification: MBA Work experience: 30 Years
2.	 Benjamin Kimitei (Principal/B.O.G Secretary)	Date of birth: 1968 Date of appointment: 20 th December 2019 Key qualification: MBA Work experience: 29 Years
3.	 Peter Cheruiyot County Director, TVET	Date of birth: 08/08/1972 Date of appointment: 5 th February 2021 Key qualification: PHD : Work experience: 25 Years

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

4.	 Peter Moindi (BOG Member)	Date of birth: 17th August 1971 Date of appointment: 14/01/2021 Key qualification: B.PHARMACY : Work experience: 27 Years Work experience:
5.	 Diana J. Chebotibin (BOG Member)	Date of birth: 1987 Date of appointment: 14th January 2021 Key qualification; MSC Work experience: 11 Years
6.	 Nancy A. Majiwa (BOG Member)	Date of birth: 1985 Date of appointment: 14th October 2020 Key qualification: BBA CPAK Work experience: 13 Years
7.	 Geoffrey Kosgei (BOG Member)	Date of birth: 1986 Date of appointment 14th January 2021 Key qualification: BSC (COMP) Years of experience: 12 Years

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

8.	 Harun K. Mosop (BOG Member)	Date of birth: 1968 Date of appointment: 14th October 2020 Key qualification: MBA Years of experience: 30 Years
9.	 Tyson Leisano (BOG Member)	Date of birth: 1987 Date of appointment: 14th October 2020 Key qualification: BSC (COMP) Years of experience: 11 Years

4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Benjamin Kimitei (Principal/Accounting Officer)	Key Qualification: MBA Work Experience: 29 Years <u>Responsibilities of Principal</u> - Accounting Officer - Overall Institution Head and Manager on behalf of state Deputy of TVET

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

2.	 Patrick Muturi (Deputy Principal)	Date of birth: 28/06/1977 Date of appointment: 15th February 2020 Years of experience: 20 Years Key Qualification: MSC <u>Responsibilities of Deputy Principal</u> • Administrative assistant to the Principal • In charge of Academic affairs of the institution • Secretary in all staff meetings • In charge of Academic timetable
3.	 Joseph Kiprugut (Accountant)	Date of birth: 01/07/1983 Date of appointment: 21st September 2022 Key Qualification: CPAK BBA Work Experience: 8 Years <u>Responsibilities of Accountant</u> • Writing and maintaining all relevant financial book of accounts • Keeping records of all institution suppliers, creditors and debtors • Writing cheques and cash withdrawal • Signing cheques • Preparing and submitting annual report as per PFM/act 2012 • Any other related duties assign by Principal

5. Chairman's Statement

Kenya today requires acceleration of her usage of specialized skills, knowledge and innovation to support and expand her economy.

Science and technology is a solution for sustainable development and a key drive in achieving the Big four agenda namely:

- Affordable Housing
- Food Security.
- Universal Health Care
- Manufacturing.

Mochongoi Technical and Vocational College intends to persistently provide training Industry Driven Technical skills to every student to their full satisfaction

Mochongoi Technical and Vocational College has positioned itself to empower young people by equipping them with the required scientific and technological knowledge, skills and attitudes that may accelerate their ability to produce common goods in a better way and also come up with new products that will go a long way in developing the social economic welfare of the people of Baringo County and Kenya in general.

Since inception, Mochongoi Technical and Vocational College has endeavoured to improve its service delivery through teamwork, effective leadership and coordinated efforts in order to achieve a comparative advantage within an increasingly competitive educational sector.

Successes

- There was connection of electricity to the institution
- Improvement in KNEC performance
- Streamlining of BOG employees duties and responsibilities and improvement of their terms and scheme of service
- There is paradigm shift from KNEC courses to CBET curriculum

Challenges

- There was still low enrolment of students owing to effects of Covid 19 and lack of boarding facilities
- There was missed capitation for quarter 4 which resulted in financial constraints to the institution
- Insecurity problems in some parts of the catchment area affected enrolment of potential students
- Lack of support from some of the political and local leaders

Joseph R.Tuikong
BOG Chair Chairman

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

6. Report of Senior Principal

Mochongoi Technical & Vocational College was established on 9th September 2019 on admission of its first intake of 206 students.

The College has three academic departments as follows:

- Building and Electrical
- Hospitality and Institutional Management
- Business Studies/ICT

Currently the college offers a number of courses at three levels examined by KNEC namely:

- Diploma
- Craft
- Artisan

Due policy changes, there is a shift from KNEC curriculum to CBET curriculum beginning September 2023.

Mochongoi Technical and Vocational College has established collaboration with industry so as to plan and implement programs that enables acquisition of appropriate knowledge, skills, values and attitudes required for the development of individuals and the entire nation.

The college plans to improve on its capacity and quality of services delivery through the implementation of Performance Contracting, Strategic Plan and Quality Management System.

Mochongoi Technical and Vocational College is accredited by Technical Vocational and Training Authority (TVETA).



Benjamin Kimitei
Snr. Principal/BOG Secretary

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

A Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Technology and ICT Infrastructure	Promote effective application of ICT	Complete ICT infrastructure,	❖ Develop adequate ICT capacity and infrastructure ❖ Promote the use of ICT in Curriculum delivery and management systems	❖ ICT courses are being introduced in the College ❖ MIS is in the process of being installed
	Enhance Equipment and Technology	College incubator and use of modern equipment and Technology	❖ Develop College incubator ❖ Promote use of modern equipment and Technology	❖ To be implemented
Pillar 2: Competitiveness	Enhance competitiveness	Increased students' numbers	i. Strengthen existing competitiveness benchmarks ii. Establish new competitiveness benchmarks	❖ Student numbers have continued to increase

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

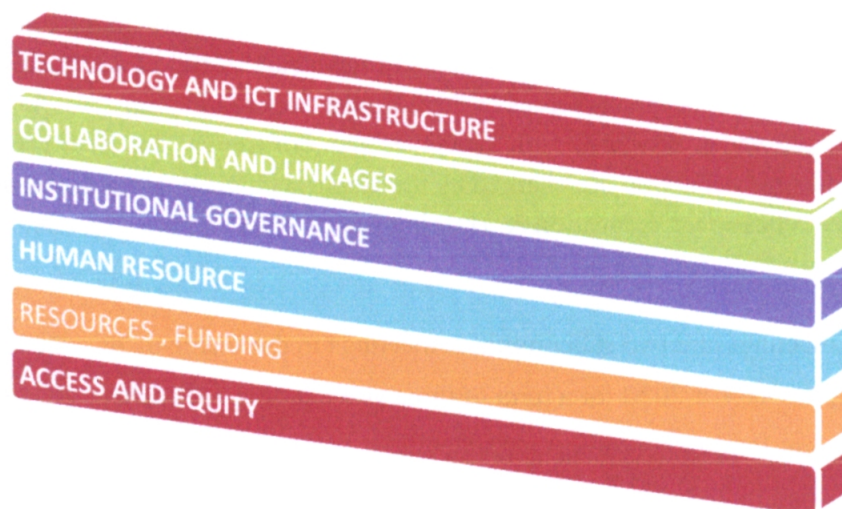
Pillar 3: Collegial Governance	❖ Improve Collegial corporate governance ❖ Develop and Implement M&E Systems	❖ Constant review of courses offered ❖ Improved result based management in the training system ❖ Improved budget accuracy level	❖ Develop and implement Collegial policies, strategies, and programmes (E.g. HIV/AIDS, Alcohol and drug abuse and health and safety, and environment) ❖ Embrace results based management in the training system ❖ Develop and implement M&E systems ❖ Fast track Collegial expenditure review	❖ New courses being offered ❖ Improved budget accuracy
Pillar 4: Human Resource	❖ Harness Human resource	❖ Increased number of staff to match the increasing number of students	❖ Increase staff at PSC and BoG levels ❖ Develop competencies in staff	❖ New BoG staff have been employed
	❖ Improve and sustain relevance of skills	❖	❖ Ensure quality assurance and standards ❖ Promote innovativeness in ST&I ❖ Establish the Center of excellence ❖ Improve the quality of work culture Strategy ❖ Encourage investment in the development and	

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

			commercialization of TVET products and services including ICT	
Pillar 5: Financial Resources	❖ Diversify sources and increase funding	❖ New development partners ❖ Enhanced existing partners' relationship ❖ Increase in government development funds	❖ Increase GoK funding ❖ Exploit external funding possibilities through developed criteria ❖ Expand income generation at Collegial level	❖ There are development partners funding development projects. ❖ The College continues to receive development funds from the government.
Pillar 6: Access And Equity	❖ Enhance Access and equity	❖ Improved training programmes in MSE sector. ❖ Expansion of facilities	❖ Expand facilities based on government priorities ❖ Support TVET trainees ❖ Promote affirmative action for TVET trainees ❖ Reform and enhance education, training, and guidance services. ❖ Improve training programmes in MSE sector. ❖ Offer higher level programmes	❖ Expansion of facilities achieved

7. Statement of Performance against Predetermined Objectives

Mochongoi Technical and Vocational College has 6 strategic pillars and objectives within its Strategic Plan for the FY 2020/2021 - 2023/2024. These strategic pillars are as follows:



Mochongoi Technical Vocational College develops its annual work plans based on the above 6 pillars. Assessment of the Board of Governor's performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2022/2023 period for its 6 strategic pillars, as indicated in the diagram below:

8. Corporate Governance Statement

Mochongoi Technical and Vocational College is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens Board of Governors and management accountability and helps build public trust in the College.

The Board is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Board serves as the ultimate decision making body of the College, except for those matters reserved to or shared with the Government of Kenya. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the College in line with the Technical, Vocational, Education & Training Act of 2013 and the Constitution of the Republic of Kenya.

The Board held three full Board meetings and two subcommittee meetings in the financial 2021/2022. The current board was appointed on 10th October 2020 for a term of three years ending 15th January 2024.

On expiry of the tenure of the current Board the process of appointment of a new Board of Management is as laid out in the TVET act of 2013 shall be followed

Under the TVET act of 2013, the functions of Board asset out under section 28 (1) shall include -

- Overseeing the conduct of education and training in the Colleges in accordance with the provisions of this Act and any other written law;
- Promoting and maintaining standards, quality and relevance in education and training in the Colleges in accordance with this Act and any other written law;
- Administering and managing the property of the Colleges;
- Developing and implementing the Colleges' strategic plan;
- Preparing annual estimates of revenue and expenditure for the College and incurring expenditure on behalf of the Colleges; (1) receiving, on behalf of the College, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the College or other bodies or persons;
- Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;
- Developing and reviewing programmes for training and to make representations thereon to the Board;
- Regulating the admission and exclusion of students from the Colleges, subject to a qualifications framework and the provisions of this Act;
- Approving collaboration or association with other Colleges and industries in and outside Kenya subject to prior approval by the Board;

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

- Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the Colleges, in consultation with the Authority;
- Making regulations governing organization, conduct and discipline of the staff and students;
- Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the Board;
- Providing for the welfare of the students and staff of the Colleges;
- Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the Colleges; and
- Discharging all other functions conferred upon it by this Act or any other written law.

The board in the period it has been in existence has endeavoured to discharge its functions independently with vigour and passion. Their diligence and prudent management of resources has been result oriented and much has been achieved during their term in office. They have been able to interpret government policies and TVET Act as well as other relevant laws in existence making the College to move forward as we actualize the strategic plan. Moving forward, the Board is aligning its discharging of duties by improving on its operations while surpassing the set targets where possible. In the interest of quality service delivery, the board is able to read from the same script as they render their duties above board.

This will be attained with the incorporation of team spirit and self-sacrifice that is deep within them.

9. Management Discussion and Analysis

Mochongoi Technical and Vocational College operational and financial performance

- The institution was able to plant about 1,000 trees around the institution land.
- The institution was able to plant maize in the 13 acres of institution land

Mochongoi Technical and Vocational College compliance with statutory requirements

Mochongoi Technical and Vocational College complies with statutory deduction and remittances such as NHIF, NSSF and PAYE

Major risks facing the organisation.

The Colleges' major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include;

- i. Low student enrolment.
- ii. Lack of student accommodation and support facilities (hostels)
- iii. Delayed disbursement of capitation, recurrent grants and HELB bursary to students
- iv. Lack of institution vehicle for ease of movement such as transport of goods and students trips.
- v. Poor road as the College is located in a remote forest land.
- vi. Lack of community support as they see the institution as a threat rather than a solution.

Key projects and investment decisions

The projects under consideration in the FY 2022/2023 are summarised in the table below

Construction of Temporary student Hostel

10. Environmental and Sustainability Reporting Statement

1. Sustainability strategy and profile -

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

Profit: The College has adopted a transformation strategy aimed at ensuring that it remains financially sound in the face of dwindling funding from the central government.

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

Environment: The Board of Governors as plans to undertake an environmental sustainability audit and developed an environmental policy to address the issues of environmental sustainability that will be identified during the audit.

Environmental performance

Environment: The Board of Governors has plans to undertake an environmental sustainability audit and developed an environmental policy to address the issues of environmental sustainability that will be identified during the audit

Employee welfare

At Mochongoi Technical and Vocational College, we value our employees and other stakeholders, including the wider community where the training of our students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our College through community consultative process.

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

Activity	Description
Better training	Optimizing training operations to meet ongoing social and sustainability objectives. Providing opportunities for us to grow as a College by becoming involved in our local community.
Enhanced community	Focusing on good urban design and empowering members for healthy, happy and Resilient community.
Supported Staff	Promoting initiatives that support staff and their families, beyond the provision of employment. Promoting initiatives that recognize the contribution of the students to the community.

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

a) Policies guiding hiring process

The following are the Mochongoi Technical and Vocational College Board of Governors policies that guide hiring process;

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

Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.

d) Product stewardship- outline efforts to safeguard consumer rights and interests.

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

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, 2023, which show the state of the Mochongoi TVC affairs.

Board of Governors

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

Auditors

The Auditor General is responsible for the statutory audit of the Mochongoi Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2023, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Secretary of the Board

Nairobi

Date:

25/02/2025

12. Statement of Board of Governors Responsibilities

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

The Board members are responsible for the preparation and presentation of the Mochongoi Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of Mochongoi Technical and Vocational College for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that this 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 the that Mochongoi Technical and Vocational College (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The BOG members accept responsibility for Mochongoi Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act) 2013. The Board members are of the opinion that Mochongoi Technical and Vocational College's financial statements give a true and fair view of the state of Mochongoi Technical and Vocational College transactions during the financial year ended June 30, 2023, and of the Mochongoi Technical and Vocational College financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Mochongoi Technical and Vocational College which have been relied upon in the preparation of Mochongoi Technical and Vocational College financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

.....

Chairperson of the Board

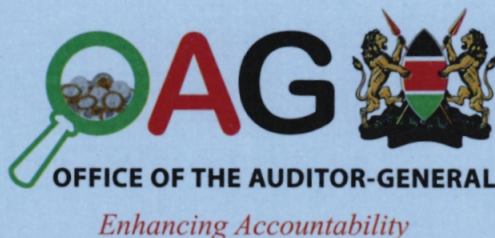


.....

Accounting Officer/Principal

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 MOCHONGOI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

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.

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Mochongoi Technical and Vocational College set out on pages 26 to 51, which comprise the statement of financial

position as at 30 June, 2023 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, because of the significance of the matters described in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Mochongoi Technical and Vocational College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Irregular Format Financial Statements

The statement of financial position reflects total net assets and liabilities amounting to Kshs.91,353,197. However, the amount differs with the computed net assets amounting to Kshs.86,892,858 resulting in unbalanced statement by Kshs.4,460,339.

Further, the statement of cash flows has not been presented in the recommended format reflecting cash flows from operating activities, financing activities, and investing activities.

In addition, the financial statements were not signed by the Chairman of the Board of Governors.

In the circumstances, the financial statements have not been prepared in the format recommended by the Public Sector Accounting Standards Board (PSASB).

2. Variance Between Financial Statements and Notes to the Financial Statements

A review of the financial statements revealed variances between the financial statements and Notes to the financial statements as shown below:

Component	Note	Balance in the Financial Statement	Balance in the Note	Variance
Statement of Financial Performance				
Rendering of Service - Prior year	6	1,079,900	2,521,540	(1,441,640)
Other income - Prior year	7	1,441,540	42,400	(1,399,140)

Employee Costs – Prior	9	3,794,034	3,065,174	728,860
Statement of Financial Position				
Trade Payables	16	387,970	881,710	(493,740)

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

3. Inaccuracies of the Statement of Cash Flow

The opening cash and cash equivalent balance of Kshs.737,147 as at 1 July, 2022 differs with the closing balance of Kshs 737,211 as at 30 June, 2022 by Kshs.640,889. The difference has not been explained.

In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.640,889 as at 30 June, 2023 could not be confirmed.

4. Unsupported Revenue from Non-Exchange Transactions

The statement of financial performance reflects transfers from other National Government entities amounting to Kshs.3,182,000 relating to unconditional grants as disclosed in Note 5 to the financial statements. However, copies official receipts issued to each beneficiary and capitation returns submitted to the Director, Technical Education were not provided.

In the circumstances, the accuracy and completeness of the transfers from other National Government entities balance of Kshs.3,182,000 could not be confirmed.

5. Unsupported Use of Goods and Services

The statement of financial performance reflects use of goods and services amounting to Kshs.3,192,969. The amount includes marketing, and seminars and workshops expenditure amounting to Kshs.120,000 and Kshs.222,550 respectively as disclosed in Note 8 to the financial statements, all totalling Kshs.342,550. However, the expenditure was not supported by user requisitions, procurement records, contract agreements, inspection and acceptance reports, training needs assessment, and workshop attendance registers.

In the circumstances, the accuracy, completeness and propriety of use of goods and services amounting to Kshs.342,550 could not be confirmed.

6. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents totalling Kshs.644,529. The amount includes infrastructure bank account balance amounting to Kshs.3,640 as disclosed in Note 14 to the financial statements. However, cashbook, bank reconciliation statements and board of survey reports in support of the infrastructure bank account balance were not provided.

In the circumstances, the existence, accuracy and completeness of the cash and cash equivalents balance of Kshs.3,640 could not be confirmed.

7. Inaccuracy of Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions totalling Kshs.2,748,179 relating to student debtors as disclosed in Note 15 to the financial statements. The student debtors amount includes Kshs.1,243,683 which has been outstanding for more than three (3) years which ought to have been disclosed as long-term receivables from exchange transactions. Management did not also provide explanation for not recovering the amounts from the fee defaulters.

Further, the receivables have not been disclosed as a note in the recommended format and no provision for bad and doubtful debts.

In the circumstances, the accuracy of the receivables from exchange transactions balance of Kshs.2,748,179 could not be confirmed.

8. Unconfirmed Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment totalling Kshs.83,927,044. The amount include land totalling Kshs.3,000,000 as disclosed in Note 18 to the financial statements. However, the title deed for the land was not provided. The College is also involved in a dispute with the local community and the Kenya Agricultural and Livestock Research Organization (KALRO) regarding ownership of an additional sixty (60) acres of land situated next to the institution. The issue has been reported to the Principal Secretary in the State Department for Technical and Vocational but has not been resolved.

Further, statement of financial performance reflects depreciation expense amounting to Kshs.8,439,429. However, the amount differs with the depreciation charge for the year amounting to Kshs.8,443,236 reflected in Note 18 to the financial statements resulting in unexplained variance of Kshs.3,807.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment totalling Kshs.83,927,044 could not be confirmed.

9. Inaccuracy of Accumulated Fund

The statement of financial position reflects accumulated deficit totalling Kshs.4,384,169. However, the amount differs with the accumulated surplus amounting to Kshs.2,794,853 reflected in the statement of changes in net assets resulting in unreconciled variances of Kshs.7,179,022.

Further, the statement of changes in net assets reflects accumulated deficit opening balance amounting to Kshs.1,260,407. However, the amount differs with the prior year audited accumulated deficit closing balance amounting to Kshs.4,452,725 resulting in unexplained variance of Kshs.3,192,318.

In addition, the accumulated fund includes transfer of depreciation/amortization from capital fund to retained earnings amounting to Kshs.8,443,236 which was not supported.

In the circumstances, the accuracy and completeness of accumulated deficit totalling Kshs.4,384,169 could not be confirmed.

10. Inaccuracy of Capital Grant

The statement of financial position reflects capital grant totalling Kshs.95,737,366. However, the amount differs with the capital grant amounting to Kshs.92,938,706 reflected in the statement of changes in net assets resulting in unreconciled variances of Kshs.2,798,660.

Further, the statement of changes in net assets reflects capital grants opening balance amounting to Kshs.102,350,145. However, the amount differs with the prior year audited capital grants closing balance amounting to Kshs.92,079,960 resulting in unexplained variance of Kshs.10,270,185.

In the circumstances, the accuracy and completeness of capital grant totalling Kshs.95,737,366 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Mochongoi 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

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.14,019,000 and Kshs.10,415,328, respectively, resulting to an under-funding of Kshs.3,603,672 or 26% of the budget. Similarly, the college expended Kshs.6,360,068 against an approved budget of Kshs.13,659,900 resulting to an under-utilization of Kshs.Kshs.7,299,832 or 53% of the budget.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in

the Basis for Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

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

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

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. Failure to Conduct Annual Stock Taking

Review of stores records revealed that quarterly and annual inventory and stock taking was not conducted. This was contrary to Section 162 (2) of the Public Procurement and Asset Disposal Act, 2015 which states that the Head of Procurement function shall arrange for occasional visits of inspection to the stores, at least quarterly in each calendar year, and conduct quarterly and annual inventory and stock taking in order to ensure compliance with all respective governing laws and submit the report to the accounting officer.

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

2. Irregular Disposal of Maize

The statement of financial performance reflects other income amounting to Kshs.1,560,060. The amount includes sale of maize totalling Kshs.1,030,300 as disclosed in Note 8 to the financial statements. However, a disposal committee for the maize was not established. This was contrary to the provisions of Section 163(1)(2) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall establish a disposal committee as and when prescribed for the purpose of disposal of unserviceable, obsolete, obsolescent, or surplus stores, equipment or assets.

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

3. Irregular Board Expenses

The statement of financial performance reflects board expenses amounting to Kshs.478,300 as further disclosed in note 10 to the financial statements. The amount includes Kshs.387,000 paid to the members of the Board of Management. Review of records revealed that the Chairman and Members were paid sitting allowance at a rate of Kshs.15,000 and Kshs.12,000 respectively. However, the rates had not been approved by the Salaries and Remuneration Commission as required under Article 230 (4) of the Constitution of Kenya, 2010.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion, 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.

1. Lack Risk Management Policy

Review of records reveal that the College does not have a risk management policy contrary to Regulation 165 (1) (a) of Public Financial Management (National Government) Regulations, 2015 which states that that the accounting officer shall ensure that a National Government entity develops risk management strategies which include fraud prevention mechanisms.

In the circumstances, the ability of the College to identify threats or risks and various strategies of minimizing their impact may be compromised.

2. Lack of Internal Audit Function

The College does not have an Internal Audit function. This was contrary to Section 73(1) of the Public Finance Management Act, 2012 which states that every National Government entity shall ensure that appropriate arrangements are in place for conducting internal audit.

In the circumstances, the internal controls may not have been effective.

3. Lack of an Audit Committee

The College operated without an Audit committee. This is contrary to Regulation 43(c) of the Public Finance Management (National Government) Regulations, 2015 which states that an accounting officer shall ensure that each National Government entity has an Audit Committee in place.

In the circumstances, the internal controls may not have been effective.

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

Responsibilities of Management and those Charged with Governance

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs 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 College'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

06 May, 2025

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement of Financial Performance for the Year Ended 30 June 2023

	Notes	2022-2023	2021 -2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	5	3,182,000	3,690,000
Total Revenue from Non-Exchange transactions		3,182,000	3,690,000
Revenue from Exchange transactions			
Rendering of services- fees from students(accrued)	6	5,673,268	1,079,900
Other Income	7	1,560,060	1,441,540
Total Revenue from Exchange transactions		7,233,328	2,521,440
Total Revenue		10,415,328	6,211,440
Expenses			
Use of goods and services	8	3,192,969	3,146,063
Employee costs	9	2,666,849	3,794,034
Board Expenses	10	478,300	421,000
Depreciation expense	11	8,439,429	10,293,053
Repairs and maintenance	12	21,950	110,750
Total Expenses		14,799,497	17,764,900
Net Deficit for the year		(4,384,169)	(11,553,460)

The Financial Statements set out on pages 26 to 30 were signed by:

.....
Chairman of Board

.....
Finance Officer

.....
Principal

Date

Date 25/02/2025

Date

25/02/2025

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

15. Statement of Financial Position as At 30th June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	644,529	737,211
Receivable from Exchange Transaction	15	2,748,179	905,980
Total Current Assets		3,392,772	1,643,191
Non-Current Assets			
Property, plant and equipment	18	83,927,044	92,079,960
Total Non-Current Assets		83,927,044	92,079,960
Total Assets		87,319,816	93,723,151
Liabilities			
Current Liabilities			
Trade payables	16	387,970	-
Payments received in advance	17	38,988	-
Total Current Liabilities		426,958	-
Capital and Reserve			
Accumulated Deficit		(4,384,169)	(4,452,725)
Capital Grant		95,737,366	101,542,463
Total Capital and Reserve		91,353,197	97,089,738
Total Net Assets and Liabilities		91,353,197	97,089,738

The Financial Statements set out on pages 26 to 30 were signed by

.....

Chairman of Board

.....

Finance Officer

.....

Principal

Date

Date 25/02/2025

Date 25/02/2025

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

16. Statement of Changes in Net Asset for the Year Ended 30 June 2023

Description	Revaluation reserve	Accumulate d Fund	Capital Grants/Fund	Total
At July 1, 2021			7,326,998	7,326,998
Surplus/(deficit) for the year	-	(11,553,460)	-	(11,553,460)
Capital grants received during the year	-	-	105,316,200	105,316,200
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	10,293,053	(10,293,053)	-
At June 30, 2022		(1,260,407)	102,350,145	101,089,738
At July 1, 2022		(1,260,407)	102,350,145	101,089,738
Surplus/(deficit) for the year	-	(4,384,169)	-	(4,384,169)
Capital grants received during the year			(968,203)	(968,203)
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	8,443,236	(8,443,236)	-
At June 30, 2023		2,794,853	92,938,706	95,737,366

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

17. Statement of Cash Flows for the Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	5	3,182,000	3,690,000
Rendering of services- fees from students		1,812,070	2,521,440
Other income	7	1,560,060	
Total Receipts		6,554,130	6,211,440
Payments			
Use of goods and services	8	3,192,969	3,146,063
Employee costs	9	2,666,849	3,794,034
Board Expenses	10	478,300	-
Repairs and maintenance	12	21,950	-
Construction of Hostel and furniture purchase	13	290,320	-
Other payments		-	531,750
Total Payments		6,650,388	7,471,847
Net Cash Flows from operating activities		(96,258)	(1,260,407)
Net Decrease in Cash and Cash equivalents		(96,258)	(1,260,407)
Cash and Cash equivalents at 1 JULY 2022		737,147	1,840,219
Cash and Cash equivalents at 30 JUNE 2023		640,889	737,211

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

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

18. Statement of Comparison of Budget Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	6,000,000	-	6,000,000	3,182,000	2,818,000	53%
Rendering of services- fees from students	6,144,000	-	6,144,000	5,673,268	470,732	92.3%
Sale of goods	1,875,000	-	1,875,000	1,560,060	314,940	83.2%
Total Income	14,019,000	-	14,019,000	10,415,328	3,603,672	74.2%
Expenses						
Use of goods and services	7,435,250	-	7,435,250	3,192,969	4,242,281	43%
Employee costs	3,589,650		3,589,650	2,666,849	922,801	74%
Board Expenses	1,555,000	-	1,555,000	478,300	1,076,700	31%
Repairs and maintenance	1,080,000	-	1,080,000	21,950	1,058,050	2%
Total Expenditure	13,659,900	-	13,659,900	6,360,068	7,299,832	47%
Surplus For the Period	359,100	-	359,100	4,055,260	3,696,160	11.2%
Capital Expenditure	-	-	-	-	-	

(Budget notes)

1. The differences in rendering of service was due to low student turn up
2. The differences in repair and maintenances was due to low maintenances

19. Notes to the Financial Statements

1. General Information

Mochongoi Technical and Vocational College is established by and derives its authority and accountability from TVET Act of 2013. The Mochongoi Technical and Vocational College is wholly owned by the Government of Kenya and is domiciled in Kenya. The Mochongoi Technical and Vocational College's principal activity is to persistently provide training in industry Driven Technical skill to every student to their full satisfaction.

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. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Mochongoi TVC. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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	Applicable: 1st January 2023: 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: • 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 a Mochongoi TVC risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 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: (a) The nature of such social benefits provided by the Mochongoi TVC. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Mochongoi TVC financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Standard	Effective date and impact:
	was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. 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.
Other improvements to IPSAS	Applicable 1st January 2023 - IPSAS 22 <i>Disclosure of Financial Information about the General Government Sector</i>. Amendments to refer to the latest System of National Accounts (SNA 2008). - IPSAS 39: <i>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	Applicable 1st January 2025 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 a Mochongoi TVC. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

iii. Early adoption of standards

The Mochongoi TVC did not early-adopt any new or amended standards in year 2022.

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

Sale of goods

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

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2022-2023 was approved by Board on 17th July 2022. 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

c) 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 one-year period.

d) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Research and development costs

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

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

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

Subsequent measurement

Based on the business model and the cash flow characteristics, the Mochongoi TVC classifies its financial

Assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

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.

f) Provisions

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

g) 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)

h) Nature and purpose of reserves

The Mochongoi TVC creates and maintains reserves in terms of specific requirements

i) Changes in accounting policies and estimates

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

j) Employee benefits

Retirement benefit plans

The Mochongoi TVC provides retirement benefits for its employees.

k) Related parties

The Mochongoi TVC 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)

l) 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 impress and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

m) 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.

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Mochongoi TVC 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 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

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

5. Transfers from other National Government entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Un conditional Grants		
Capitation Grants	1,182,000	3,690,000
Operational Grant	2,000,000	-
Total unconditional Grants	3,182,000	3,690,000

Notes to the Financial Statements (Continued)

6. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Fees	5,673,268	2,521,440
Total Revenue from the Rendering of Services	5,673,268	2,521,540

7. Other Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Industrial Attachment Fees	9,500	12,400
Examination Fees	520,260	
Sale of Maize	1,030,300	30,000
Total	1,560,060	42,400

(This is revenue realised from sales of maize which the college has planted on college land)

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

8. Use of Goods and Services

Description	2022-2023	2021-2022
Teaching and learning materials and Exam	763,326	929,788
Electricity ,Water and Conservancy	225,419	5,350
Security	-	5,500
Consultancy services	135,500	166,000
Registration and subscriptions	101,600	115,000
Marketing	120,000	323,790
Fuel	114,000	114,405
Insurance	700	2,100
Internet	49,884	-
Activity	-	-
Travel and subsistence allowances	689,150	
Production expenses	349,245	190,750
Telephone and postage	123,175	101,300
Printing and stationery	77,280	83,440
Cleaning materials	3,600	3,900
Admin expenses	48,966	60,960
Food and refreshment	159,572	312,669
Seminars and workshop	222,550	723,200
Bank Charges	9,002	7,911
Total goods and services	3,192,969	3,146,063

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

9. Employee Costs

Description	2022-2023	2021-2022
Salaries and wages	2,402,701	3,065,174
Statutory(NSSF and NHIF)	264,148	-
Employee costs	2,666,849	3,065,174

10. Board Expenses

Description	2022-2023	2021-2022
	KShs	KShs
_BOG_Allowances	478,300	421,000
Total BOG Expenses	478,300	421,000

11. Depreciation expense

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, plant and equipment	8,439,429	10,293,053
Total depreciation	8,439,429	10,293,053

12. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
Equipment and machinery	21,950	110,750
Total Repairs and Maintenance	21,950	110,750

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

13. Hostel Construction and Purchase of Furniture(Computer Tables)

Description	2022-2023	2021-2022
	Kshs	Kshs
Hostel Construction	190,320	-
Furniture (Computer Tables)	100,000	-
Total	290,320	-

14. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account	640,889	737,147
Infrastructure account	3,640	64
Total Cash and Cash Equivalents	644,529	737,211

15. Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Student Debtors	2,748,179	905,980
Total Current Receivables	2,748,179	905,980

16. Trade and Other Payables

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade payables	881,710	-
Total Trade and Other Payables	881,710	-
Ageing analysis:		
Under one year	881,710	-
Total (to tie to totals above)	881,710	-

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

17. Payments received in advance.

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees received in advance	38,988	-
Total	38,988	-
Ageing analysis:		
Under one year	-	-
Total	38,988	

18. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022	3,000,000	53,131,805	315,000	58,000	45,868,208	-	92,079,960
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-
At 30th June 2022	3,000,000	52,069,169	275,625	40,600	36,694,566	-	92,079,960
Additions		190,320	100,000	-	-	-	290,320
Disposals	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-
At 30th June 2023	3,000,000	52,259,489	375,625	40,600	36,694,566	-	92,370,280
Depreciation And Impairment							
At 1 July 2022	-	-	-	-	-	-	-
Depreciation	-	(1,062,636)	(39,375)	(17,400)	(9,173,642)	-	(10,293,053)
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
At 30 Jun 2022	-	1,062,636	39,375	17,400	9,173,642	-	10,293,053
Depreciation		(1,045,190)	(46,953)	(12,180)	(7,338,913)		8,443,236
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-
At 30th Jun 2023		1,045,190	46,953	12,180	7,338,913		8,443,236
Net Book Values							
At 30th June 2022	3,000,000	52,069,169	275,625	40,600	36,694,566	-	92,079,960
At 30th Jun 2023	3,000,000	51,214,299	328,672	28,420	29,355,653	-	83,927,044

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

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).

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	3,000,000	-	3,000,000
Buildings	53,322,125	(2,107,826)	51,214,299
Plant And Machinery	45,868,208	(16,512,555)	29,355,653
Computers	58,000	(29,580)	28,420
Furniture, And Fittings	415,000	(86,328)	328,672
Total	102,663,333	(18,736,289)	83,927,044

Notes on Depreciation

1. Building are depreciated at the rate of 2.5%
2. Furniture and Fitting are depreciated at the rate of 12.5%
3. Computer are depreciated at the rate of 30%
4. Plant and equipment are depreciated at the rate of 20%

The Mochongoi TVC also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

Notes to the Financial Statements (Continued)

19. Financial Risk Management

The Mochongoi TVC activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency.

The Mochongoi TVC financial risk management objectives and policies are detailed below:

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

(i) Credit risk

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

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

The Institution's management based on prior experience and their assessment of the current economic environment.

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.

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade Payables	-	-	-	-
Total	-	-	-	-
At 30 June 2023				
Trade Payables	40,000	23,600	324,370	387,970
Total	40,000	23,600	324,370	387,970

20. Related Party

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Mochongoi TVC holding 100% of the Mochongoi TVC equity interest. Other related parties include:

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

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

a) Key Management Compensation	2022-2023	2021-2022
BOG Expense	478,300	421,000
Total	478,300	421,000

21. Events After The Reporting Period

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

22. Ultimate And Holding Entity

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

23. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The 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)
4.1	Unsupported Revenue From Non exchange Transactions The statement of financial performances reflect revenue from non – exchange transaction of Ksh 3,690,000 However the list of student names , admission number and amount awarded to each	List of Student indicating student names Admission numbers and amounts awarded to each has been provided	Resolved	

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

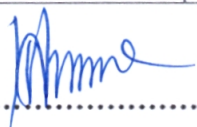
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	was not provided			
4.2	Unsupported Examination Materials The statement of financial position reflects use of goods and service ksh 266,447nwas incurred on examination material .However the detailed indicating schedule the nature of examination material was not provided for audit	Documents showing The examinational Materials have been Presented	Resolved	
4.3	Unsupported Board of Governors Expense The statement of financial performances reflects Board of Governors expenses of ksh 421,000.However the supporting schedule was not provided for audit	The detailed schedule supporting the Board of Governances expenses has been provided for audit	Resolved	
4.4	Unsupported Repair and Maintenances The statement of financial performances reflects repairs and maintenances expenditure of ksh 110,750.However Request for repairs and pre and post	Request for repair and nspection report in support of the expenditure have been provided	Resolved	

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

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)
	inspection report in support of expenditure was not provided for audit			
4.5	Cash and Cash Equivalent The of financial position reflects cash and cash equivalent of ksh 737,211. However the certificate of bank balances and bank reconciliation statement in support of the balances was not provided.	The certificate of bank balances and bank reconciliation statement in support of the balances has been provided	Resolved	
4.6	Receivables from Exchange Transaction The statement of financial position reflects receivable from exchange transaction balances of ksh 905,980. However the movement schedule was not provided for audit	The schedule supporting receivables from exchange transaction have been provided	Resolved	
4.7	Unsupported Plant and equipment The statement of financial position reflects property plant and equipment balances of ksh 92,079. However the details schedule indicating	The detailed asset register has been provided. Further the management is in the process of engaging valuer to ascertain the value of the property and equipment	Not Resolved	Asset to be valued by 30/12/2023

Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

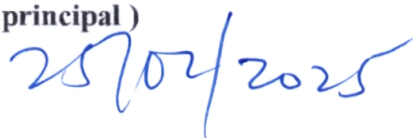
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	asset description cost and location was not provided for audit			
4.8	Errors in financial statements	Correction made in amended financial statements	Resolved	
4.9	Late submission of financial statement The statements for financial were submitted on 25 October 2022 contrary to section 47 (1) of the public audit act 2015.	The management will ensure the financial statements are submitted on or before 30 th September after the end of every financial year	Not Resolved	



Benjamin Kimiti

(senior principal)

Date



Mochongoi Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Appendix III- Inter-Entity Confirmation Letter



MINISTRY OF EDUCATION
STATE DEPARTMENT OF VOCATION AND TECHNICAL TRAINING
MOCHONGOI TECHNICAL AND VOCATIONAL
COLLEGE

P.O BOX 299- 30403, MARIGAT

TEL. 0707413282

Email: mochongoitvc@gmail.com Website: www.mochongoitvc.ac.ke



The Mochongoi Technical and Vocational College wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Mochongoi TVC as at 30th June 2023

Reference Number	Date Disbursed	Amounts Disbursed by [SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent Grants (A)	Development (B)	Capitation (C)	Total (D)=(A+B+C)		
DTE/CAP 9/31(36)	06/07/2022	500,000	-	-	500,000	500,000	0
DTE/CAP 9/31(36)	06/07/2022	500,000	-	-	500,000	500,000	0
MOE/DTE/CAP 9/35(65), DTE/CAP 9/36(93)	24/10/2022	500,000	-	390,000	890,000	890,000	0
	16/01/2023	500,000		-	500,000	500,000	0
DTE/CAP 9/36(93)	26/01/2023			396,000	396,000	396,000	0
DTE/CAP 9/36(93)	29/06/2023			396,000	396,000	396,000	0
Total		2,000,000		1,182,000	3,182,000	3,182,000	0

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

Head of Accountants department:

Name JANE KIPSZBA Sign [Signature]
Date 25/02/2025