

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE AUDITOR-GENERAL

ON

**MATHIRA TECHNICAL AND VOCATIONAL
COLLEGE**

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



MATHIRA TECHNICAL & 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)



MATHIRA TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

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I. Key Entity Information and Management

(a) Background information

Mathira Technical and Vocational College ground breaking ceremony was presided over by His Excellency the Deputy President of the Republic of Kenya, Hon William Samoei Ruto on 21st September 2014. The institute is about 800m off the Karatina-Nyeri road along the Ruthagati Kabiru-ini road. The college is located in Kaiyaba sub-location, Ngandu location, Mathira West Sub-County in Mathira Constituency of Nyeri County.

Mathira Technical and Vocational College is a public technical training institution under the Ministry of Education and registered by the Technical and Vocational Education and Training Authority (TVETA) - TVET Act of 2013. The Principal Secretary for State Department for Vocational and Technical Training is responsible for the general policy and strategic direction of the institution.

I.Principal Activities

Vision Statement

To be the provider of choice for transfer, technical skills, workforce, and lifelong learning among those whom we serve and to be a source of skilled and competent human resource capable of transforming lives through strengthening competitive workforce in our nation for prosperity.

Mission Statement

To produce highly skilled and competent human resource capable of transforming lives through strengthening self-reliance.

Strategic objectives

The strategic objectives of Mathira Technical & Vocational College are:

1. To produce diverse community of man power with technical and general education skills
2. To create more departments and well-defined organizational structure.
3. To develop a research mentorship program that embrace technical courses
4. To expand revenue generating streams through enhancement of production programs.

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a) Mathira TVC Headquarters

P.O. Box 1785-10101
Off Karatina-Nyeri Road
Along Ruthagati Kabiru-ini road Mathira West Sub-County
Karatina, Kenya.

b) Mathira TVC Contacts

Telephone :(254)0720 772225
E-mail: mathiratechnical@gmail.com
Website: www.mathiratechnical.ac.ke

c) Mathira TVC Bankers

1. Central Bank of Kenya

Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

2. Kenya Commercial Bank

P.O Box 192 - 10101
Karatina, Kenya

d) OFFICE OF THE AUDITOR GENERAL

HEADQUARTERS




Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
Nairobi

Principal Legal Adviser





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

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II. The Council/Board of Governors

	NAME	BIRTH AND QUALIFICATIONS
1	 CPA Gabriel O. Ogutu Board of Governors Chairperson	Holds MBA (Accounting) - JKUAT, BCom - Kabarak University CPA (K) (KASNEB) ICPAK member KATC certified and enrolled for PhD at JKUAT (ongoing)
2	 David M. Mburu Secretary and Principal Mathira TVC.	Bachelor of Science in Electrical & Electronic Engineering (DeKUT) Bachelor of Education (KU), Diploma in Electronic Engineering, Diploma in Education
3	 Rev. Dr. Josephat Macharia Wachira Board Member	Has an Honorary doctorate degree from Breakthrough International Bible University and Bachelor's degree in Biblical Studies and Community Development from Nation-to-Nation Christian University, Diploma in Biblical Studies and Theology from Nairobi Pentecostal Bible College,

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4	 Janet J. Kipkorir Board Member	Bachelor's degree in Business Management (Finance and Banking Option) from Moi University; Certified Public Accounts (CPA-K) KASNEB Is currently a Master of Science in Finance and Investment candidate at Kenya Methodist University
5	 Duncan Mwangi Nyamu Board Member	Holds a BBA (Marketing) (UON) He is currently the MD Sequid Hardware Ltd Nairobi
6	 Peter Mwallo Ng'ong'a Board Member	Is a retired educationist with 37 years of teaching at KTTC. Is a consultant with NITA and KNEC
7	 Debora Mbula Muli Board Member	Is an ICT expert. Holds a Master's degree in ICT. She is a part-time lecturer at JKUAT, KCA and Riara Universities

BOARD COMMITTEES

Name of the Committee	Members
Finance Development and Human Resource Committee	1. Rev. Josephat Macharia - Chairperson 2. Ms. Deborah Mbula Muli 3. Regional County of Director TVET

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Audit, Governance, Risk and Compliance Committee	<ol style="list-style-type: none"> 1. Ms. Janet Jepleting Kipkorir- Chairperson 2. Mr. Duncan Mwangi Nyamu 3. Mr. Peter Mwallo Ng'ong'a
Academic, Research and Student Students Affairs	<ol style="list-style-type: none"> 1. Mr. Peter Mwallo Ng'ong'a - Chairperson 2. Ms. Deborah Mbula Muli 3. Mr. Duncan Mwangi Nyamu 4. Regional County of Director TVET

III. Management Team

S/no.	Name of the Staff	Responsibility
1.	David M. Mburu	Principal
2.	Michael Gichura Wangari	Deputy Principal
3.	James Chege Kimani	Accountant

FIDUCIARY MANAGEMENT

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

S/no.	Designation	Name
1.	Principal/Sec BOG	David M. Mburu
2.	Deputy Principal	Michael Gichura Wangari
3.	Accountant	James Chege Kimani

(a) Fiduciary Oversight Arrangements

Audit and Finance committee activities

The Committee shall exercise all the powers of BOG in financial matters except in relation to the items, which are reserved, to BOG in these Standing Orders, on which the Committee shall advise BOG. Terms of Reference The role of the Committee shall be to monitor the financial status of the Institute on behalf of BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

- To monitor and facilitate the implementation of the Institute s strategy with regard to financial matters
- To receive reports from the Principal and the Accountant

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- To monitor implementation of the strategy for the Institute
- To receive reports of the extent and condition of the Institute estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements
- To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- To determine the fees and charges made for Institute services and facilities.
- To supervise the financial administration of the Institute and make recommendations to BOG where appropriate.
- To supervise the arrangements for safeguarding the Institute's assets
- To ensure the proper financial evaluation and control of projects
- To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments
- To make recommendations to BOG on the financing of projects

Senior Management Activities

The main purpose of the Senior Management Team is to:

- Ensure that MTVC's BOG is able to take strategic decisions relating to MTVC's activities.
- Provide leadership in communicating MTVC's mission, values, plans and achievements effectively and consistently to BOG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- Be accountable for the development and implementation of MTVC's strategic, corporate and business plans in line with the mission and values.
- Take a strategic overview of performance in all areas of MTVC's activities.
- Makes recommendations to the BOG on the implementation and achievement of the BOG's Strategic Framework;
- Agrees MTVC's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.

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- In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of MTVC, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- Oversees and monitors MTVC's joint work with the other stakeholders
- Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOG and/or its relevant Committees.
- Leads all senior managers in motivating and developing MTVC staff to deliver the highest standards of performance and customer service

Government oversight activities

The Government of Kenya's oversight role includes provision of Grants for both Capitation and Development as well as provision of the regulatory framework. The Office of the Auditor General undertakes the audit of the Institutional activities.

IV. Chairman's Statement

On behalf of the BOG, management, staff and students of Mathira Technical and Vocational College, I would like to thank the Government through the Cabinet Secretary Ministry of Education for giving me the opportunity to serve in this institution as chairperson of the Board of Governors with effect from 20th January 2022.

In the FY2021/2022 the following was achieved:

1. Established of BOG committees.
2. Increased internet bandwidth from 5 Mbps to 10 Mbps
3. Completed plumbing workshop
4. Equipped ICT department with 20 desktop computers
5. Installed CCTV cameras for security surveillance
6. There was increase in gross enrolment from 258 to 300
7. Engaged 1 youth on internship
8. The Institute participated in the KATTI Mt Kenya Region Trade Fair and won two trophies at the region and one trophy at the Nationals.
9. Implemented the cross-cutting issues in compliance with the Performance Contracting requirements in:
 - Implementation of Service delivery Charter
 - Road safety mainstreaming
 - HIV and Aids sensitization
 - Science Technology and Innovations (STI)

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V. Report of the Principal

Mathira Technical and Vocational College is a public POST school TVET institution in Nyeri County, Mathira Constituency.

The college is located in the serene environment of Kirimukuyu ward, Mathira West Sub County. It is built on a previous colonial village land which is about six (6) acres or 2.42 Hectares.

The foundation stone for the college was laid by His Excellency Hon. Dr. William Samoei Ruto President of the Republic of Kenya (Then Deputy President of the Republic of Kenya) on 21st September 2014. The college was registered as a Technical and Vocational training institute by the Technical and Vocational Education and Training Authority (TVETA) on 12th October 2018.

The first batch of students/trainees was admitted in May, 2018.

Management

The college is managed by a Board of Governors appointed by the Cabinet Secretary in charge of Education (TVET Act 2013) for a period of three years. The current board of Governors was appointed in January 2022 by Professor George Magoha, Cabinet Secretary for Education.

Core Values

- Integrity
- Truthfulness
- Accountability
- Transparency
- Professionalism
- Customer focus
- Teamwork
- Collective Responsibility
- Efficient Delivery of Service
- Innovativeness

Vision

To be an outstanding provider for technical skills and competencies transfer, workforce and enhance lifelong learning among those we serve

Mission

To produce highly skilled and competent human resource capable of transforming lives through strengthening Self-reliance

Motto

Technical Skills for Posterity

Mandate

To provide Technical, Vocational **Education and Training** for sustainable development

Core Values

Driving School Unit

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Following the Presidential Directive on establishment of driving schools in TVET institutions, the college requested our Member of Parliament for support. We were assisted with:

- 1 - Suzuki Jimny driving car, KCT 794Y
- 1 - Lorry Isuzu, KCT909Y
- 4 -Yamaha Motor cycles, KMFB150R, KMFB151R, KMFB152R, KMFB153R
- 1 - 46-seater Isuzu Bus, KDA209P

We registered/mounted a Driving school, Mathira Technical & Vocational College Driving School in which we have been training driver. We have trained over 150 drivers to date.

HIGHLIGHTS OF FY 2021/2022 PERFORMANCE

During the Financial Year 2020/2021, the country underwent tough times due to COVID-19 pandemic disrupting the academic calendar/programs and learning in institutions. KNEC November 2020 examinations for secondary schools (KCSE) were not held as scheduled. The examinations had to be rescheduled for February/March 2021. As a result, the January 2021 intake could not take place due to the disruption which affected the student enrolment as had been projected for the year.

Government has been very supportive to the TVET institutions through provision of capitation grants of Kshs. 30,000 p.a for each trainee/student. The balance of Kshs. 26,420 is to be paid by the trainee. Needy cases may apply for loans and bursaries through HELB.

a) Students Enrolment

The challenges of closure of learning institutions in 2022 and 2023 occasioned by the outbreak of Covid-19 Pandemic affected our overall enrolment due to:

- The economy of the country was affected
- Some parents/guardians lost their jobs,
- Businesses were disrupted
- Some Kenyans lost lives
- Some lost sources of livelihoods.

b) Participation in Co-curriculum activities in the year

The college participated in the following events

- i) KATTI Mt Kenya Region Sporting activities in Soccer Men and Volleyball Men
- ii) KATTI Mt Kenya Region TVET Trade Fair and Robotics Contests
- iii) KATTI National TVET Trade Fair and Robotics Contests

c) ICT and Networking

During the FY 2022/2023, we provided 10 Mbps internet connectivity to our staff and students for use in research and training.

d) Academics programs and National Examinations

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Courses

The college is currently offering the following courses

Diploma programs

- Welding and Fabrication
- Mechanical Engineering
- Automotive Engineering
- Electrical and Electronic Engineering
- Fashion Design /Clothing technology
- Information Communication Technology
- Supply Chain Management /Procurement

Certificate programs

- Welding and Fabrication
- Mechanical Engineering
- Motor vehicle Mechanics
- Electrical and Electronic Engineering
- Information Communication Technology
- Plumbing
- Masonry

Artisan programs

- Welding and Fabrication
- Electrical installation
- Plumbing
- Masonry
- Hairdressing and Beauty Therapy

Enrolment

S/No.	Department/Section	Male	Female	Total
1	Electrical and Electronic Engineering	56	16	72
2	Mechanical Engineering	38	4	42
3	Information Communication	12	17	29
4	Supply Chain Management	2	2	4
5	Plumbing	64	16	80
6	Masonry	7	0	7
7	Fashion Design/Clothing Technology	3	18	21
8	Hairdressing and Beauty Therapy	2	38	40
	Total	184	111	295

The college presented candidates for national examinations in two examination bodies:

- KNEC Diploma, Craft certificate and Artisan in both Technical and Business
- NITA Grade III and II

The results for the examinations have been very encouraging.

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e) Performance Contract

The Institute was in the performance contract in the year and was doing very well in all areas.

f) Staffing

The college had the following staff teaching/training in various areas:

i) Trainers/Teacher

S/No.	Department/Section	PSC	BOG	Total
1	Electrical and Electronic Engineering	5	0	5
2	Mechanical Engineering	3	1	4
3	Information Communication	4	0	4
4	Business/Supply Chain Management	1	1	2
5	Plumbing	0	2	2
6	Masonry	0	1	1
7	Fashion Design/Clothing Technology	1	1	2
8	Hairdressing and Beauty Therapy	0	1	1
	Total	14	7	21

ii) Non-teaching staff

S/No.	Department/Section	Total
1	Finance/Accounts	1
2	Secretary	1
3	Procurement	1
4	Casuals	2
5	Driving school instructor	1
	Total	6

g) Infrastructure, Facilities and assets

The institute had two blocks;

- Main block with offices, 16 classrooms 2 workshops
- Plumbing and masonry workshops
- Welding & Fabrication Equipment

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VI. Statement of Performance against Predetermined Objectives

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

Mathira Technical & and Vocational College has nine strategic pillars and objectives within current Strategic Plan for the FY 2022- FY 2023. These strategic pillars are as follows:

Mathira Technical & and Vocational College develops its annual work plans based on the above nine pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Mathira Technical & and Vocational College achieved its performance targets set for the FY 2022/23 period for its nine strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Quality and relevance	To enhance quality and relevance	-Staff trained on the use of Optimum-ERP system -Staff trained on the management by KTTC	Training of: Staff trained on the use of Optimum-ERP system Staff trained on the management by KTTC	Trainers were trained by; -Optimum team on the use of Optimum-ERP system - KTTC on management
Access and equity	Enhance Access and Equity	Masonry Shed constructed	Construction of Masonry Shed	A Masonry Shed for training Masonry has been constructed
Governance and management	To diversify training programs	Introducing a new program Diploma Building & Civil	Introduce Diploma Building & Civil	An additional program Diploma Building & Civil introduced
Funding and financing	To improve the financial absorption of funds	compliance and substantive procedures	Follow the government compliance and substantive procedures	Better audit opinion
Service Delivery	improve service delivery to the public	Citizen's delivery charter implemented	Implement Citizens delivery charter	Citizen's delivery charter has been put in place
Research and development	To institutionalize research and development	Preparation for regional and National TVET fair by development of a robot.	Preparation for regional and National TVET fair	The institute prepared to participate in regional and National TVET fair

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Collaboration and linkages	To enhance collaboration and Linkages	Industry and Manufacturing sector agreements	Industry and manufacturing sector linkage creation	The institute has agreement with Mathira water & sanitation company through industrial liaison office to take up trainees for industrial attachment in plumbing works
Human resources	To ensure the staff are adequate, competent and highly motivated	Qualified teaching staff in service	Recruit qualified teaching and non-teaching staff	Two qualified staff were recruited in Electrical and one in fashion & design
Equipment and technology	To promote and equip institutional departments	Additional CCTV surveillance system cameras added	Add CCTV cameras CCTV surveillance system	Four Additional CCTV surveillance system cameras Installed by March 2023 has improved security

VII. Corporate Governance Statement

Corporate governance comprises rules, procedures, regulations and processes through which the Institute is directed. It involves balancing the interests of the Institute in order to achieve long-term strategic objectives of the Institute.

The roles and functions of the Board members are clearly defined and include giving the overall oversight of management and giving the strategic direction of the Institute. The Board members defines the Institute's strategies, objectives, values and ensures that procedures and practices are put in place to ensure effective control over strategic, financial, operational and compliance issues. The Board members develops short and long-term goals of the Institute, develops strategies to achieve those goals and monitors the performance of the Institute against the set goals. The Board members also spearheads the preparation of financial statements and reports of the Institute, approves and reviews annual budgets and ensures that the Institute has adequate systems of internal controls together with appropriate monitoring of compliance activities to ensure business continuity.

The Board members provides oversight to the Institute's top management and has unrestricted access to timely and relevant information as well as advice and services of the Corporation Secretary to discharge its duties effectively.

Mathira Technical & Vocational College Board members operates in compliance with the Mwongozo code that offers corporate governance framework for all state corporations. The members of Board have duly undergone training under this code.

The Board members prepares an annual almanac showing the schedule of meetings planned for each year. During the year, the Institute Board members held regular quarterly meetings, while special meetings were called when necessary.

The Board is headed by the Chairman and is composed of nine members inclusive of the principal who is the only executive member. The constitution of the Board members takes into consideration requirements of the sector, diversity of skills, academic qualifications, gender, age and experience necessary to add value to the operations of the Institute. The Board members are appointed to various Board Members' Committees mandated to carry out specified functions. The Board members therefore bring their diverse experiences in deliberations during Board meetings.

The Board members' committees have well defined terms of reference. The committees are intended to facilitate efficient decision making by the Board members in them discharging their duties and responsibilities.

VIII. Management Discussion and Analysis

THE ENTITY'S OPERATIONAL AND FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023:

Mathira TVC operational and financial performance

Mathira Technical and Vocational College's financial statements are indicative of the good performance as it is a going concern. The current assets of the institution are adequate enough to meet the current obligations as at the end of the period ending 30 June 2023.

Funds obtained from the cash flow statement, explains that, cash available in liquid form is mostly generated from operating activities.

The Institution's Board of Governors are of the opinion that, the financial statements give a true and fair view state of financial affairs of the entity.

IX. Environmental and Sustainability Reporting

Mathira Technical & Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

Sustainability strategy and profile

Key Institute staff attended career days and workshops for head teachers in order to motivate and mentorship to students in high schools. These motivational talks are a permanent feature in our calendar of events every year and they ensure that the Institute maintains a strong link with students who are aspiring to join Institutes.

Environmental performance

Environmental degradation has severe negative effects in the world. It is therefore important for constant efforts to be made to conserve the environment around us. During the year, the Institute started a project to grow trees in the Institute. This project will be continued in subsequent years in order to improve the total tree cover in the Institute. Due to the Impact of Covid-19 the institute has put in place water points for future use.

Employee welfare

The Institute has developed a Human resource policy to help in the recruitment of its staff. The policy is also gender sensitive as it has contributed to the third gender rule as per government directives. Employees hold capacity trainings every year to motivate them. This has improved the morale the employees in the place of work and thus improved service delivery. The Institute is in the process of putting in place a safety policy in order to be compliance with Occupational Safety and Health Act of 2007, (OSHA).

There is a reward and appraisal system in place for all the employees of Mathira Technical & Vocational College

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.

Corporate Social Responsibility / Community Engagements

Mathira Technical & Vocational College, as a responsible corporate institution established to achieve public good, recognizes the link between sustainable growth and development of the institution and the need to invest in society, the local community and protection of the environment. This is important to ensure that social, economic and environmental benefits accrue to the society and other stakeholders as the Institute conducts its business. During the year, the Institute contributed to various community initiatives and noble projects, despite the prevailing resource constraints.

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X. Report of the Council/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 institute's affairs.

Principal activities

The principal activity of the institute is to: offer competence Based Technical Training, prepare and guide trainees, for evaluation and certification by appropriate examining bodies and promote Science, Technology and Innovation in all training programs.

Results

The results of the institute for the year ended 30 June 2023 are set out on page 1 of these financial statements.

Council/Board of Governors

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

Auditors

The Auditor General is responsible for the statutory audit of the institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



..... Date.....14/05/2025.

Secretary of the Board/Council
Mathira Technical & Vocational College

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Statement of Board of Governors/ Council's Responsibilities

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

The board members are responsible for the preparation and presentation of Mathira Technical & Vocational College financial statements, which give a true and fair view of the state of affairs of Mathira Technical & Vocational College Institute for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Mathira Technical & Vocational College (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

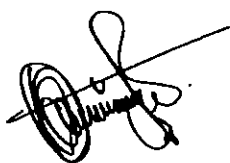
The board members accept responsibility for the Mathira Technical & Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards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

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College's financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the board members to indicate that the Mathira Technical & Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Mathira Technical & Vocational College financial statements were approved by the Board on 14/05/2025 and signed on its behalf by:

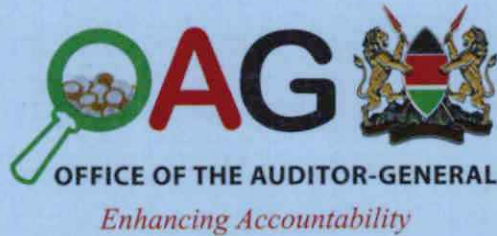


CPA Gabriel O. Ogutu
Chairperson of the Board/Council



SAMUEL MUGECA
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 MATHIRA 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Mathira Technical And Vocational College set out on pages 1 to 19, which comprise of 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 year then ended and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

Long Outstanding Receivables

The statement of financial position reflects current receivables from exchange transactions balance of Kshs.5,753,188 and as disclosed in Note 13. However, on further examination of the debt ageing analysis, it was observed that debtors amounting to Kshs.7,863,455 were outstanding over a period of 360 days, resulting to an understatement of the receivables by Kshs.2,110,267. An inquiry on whether the management had put in place any controls or mechanisms on how to recover the amount owed. It was observed that no debt policy was in place. Thus, this trend could result to cash flow constrains thus interrupt operations of the entity.

In the circumstances, the accuracy, completeness and recoverability of the current receivables from exchange transactions balance amount of Kshs.5,753,188 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Mathira Technical and Vocational College 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.

Key Audit Matters

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

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

Other Information

Conclusion

The Management is responsible for the Other Information set out on page iii to xxii which comprise of Key Entity Information and Management, Council/Board of Governors , Key Management team, Chairman's Statement, Report of The Chief/Senior Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council/Board of Governors, Statement of Board of Governors/Council's Responsibilities and Report of the Independent Auditors on Mathira Technical and Vocational College.

The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the College's, financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Adhere to the Procurement Process

The statement of financial performance and Note 7 to the financial statements reflects use of goods and services amounting to Kshs.5,540,013, A sample of the payment vouchers provided for audit totaling to Kshs.1,035,501 revealed the following anomalies:

- i) The College did not have an evaluation committee to evaluate the various tenders that were requested.
- ii) There was no evaluation report as set out in Public Procurement and Asset Disposal Regulations, 2020 Section 78(1).
- iii) There was no professional opinion as set out in Public Procurement and Asset Disposal Regulations, 2020 Section 78(4).
- iv) The Accounting Officer did not approve in writing the award to the successful tenderer as set out in Public Procurement and Asset Disposal Regulations, 2020 Section 79 (1a).
- v) The College did not perform post qualification to confirm if the tenderer approved by the evaluation committee is tax compliant and if the registration certificates are valid.
- vi) There was no stores record to show how the various items that were procured were taken on charge or distributed to the respective user departments.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lapses In Imprest Management and Control

The statement of financial performance and Note 7 to the financial statements reflects use of goods and services amounting to Kshs.5,540,013, included in this amount is Kshs.936,510 being local travel and transportation. During the year under review, the College paid out allowances in respect to local travel and transportation to staff amounting to Kshs.936,510. However, the College did not maintain an Imprest Management System to record to details of imprest applicants, dates of imprest, amounts issued and due dates and to aid in the issuance and the control of the allowances that were issued to the staff.

In the circumstances, the effectiveness of the imprest management could not be confirmed.

2. Failure to Have a Disaster Recovery Plan

Review of the internal controls management process and the control environment, for college operations revealed that the disaster recovery plan has not been established making it difficult in the event of disaster eventuality. In addition, there exists no formal, documented and tested emergency procedure in place to minimize disruptions of business in case of an emergency.

In the circumstances, the effectiveness disaster recovery plans in pace in case of any eventuality is doubtful.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the 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 IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 May, 2025

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XIII. Statement of Financial Performance for the year ended 30 June 2023

	Notes	2022/2023 FY	2021/2022 FY
Revenue from non-exchange transactions			
Transfers from the National Government	4a	7,500,000	6,840,000
Transfers from the National Government Operational Grants			
Transfer from other government agencies-KENHA	4b	0	2,965,033
Total revenue from non-exchange transactions		7,500,000	9,805,033
Revenue from exchange transactions			
Rendering of services- Fees from students	5	6,897,462	5,929,490
Other Incomes	6	654,500	1,672,500
Total revenue from exchange transactions		7,551,962	7,601,990
Total revenue		15,051,962	17,407,023
Expenses			
Use of goods	7	5,540,013	5,523,853
Employee costs	8	4,663,400	3,297,232
BOG expenses	9	817,929	605,143
Repairs and maintenance	10	351,093	622,782
Depreciation	17	3,408,126	3,648,050
Total expenses		14,780,561	13,697,060
Net (deficit)/surplus for the year		271,401	3,709,963

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



.....
**Chairman of
Council/Board**

Date 14/05/2025



.....
**Finance Officer
ICPAK No 21228**

Date 14/05/2025



.....
Principal

Date 14/05/2025

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V. **Statement of Financial Position as at 30th June 2023**

	Notes	2022/2023 FY	2021/2022 FY
Assets			
Current assets			
Cash and cash equivalents	11	3,916,835	6,488,886
Inventories	12	821,577	2,666,416
Receivables from exchange transactions	13	5,753,188	4,885,731
Receivables from non-exchange transactions	14	6,579,336	3,368,336
Total Current Assets		17,079,436	17,409,369
Non-current assets			
Property, plant and equipment	18	76,961,691	64,495,283
Total Non-current Assets		76,961,691	64,495,283
Total assets		94,041,127	81,904,652
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	15	406,500	394,570
Total Current Liabilities		406,500	394,570
Total liabilities		406,500	394,570
Capital and Reserves			
Reserves	16	103,922,292	89,016,510
Accumulated surplus/deficit	16	-7,406,540	-7,506,428
Total Reserves		93,634,627	81,510,082
Total Liabilities and Reserves		94,041,127	81,904,652

The Financial Statements set out on pages 2 to 2were signed by:



Chairman of Council/Board

Date 14/05/2025



Finance Officer
ICPAK No 21228

Date 14/05/2025



Principal

Date 14/05/2025

XV. Statement of Changes in Net Asset for the year ended 30 June 2023

For the year ended 30 June 2023	Note	Accumulated surplus (Deficit)	Capital Donations & Reserves	Total
Balance brought forward as at 1 July 2022		-7,506,428	84,995,120	77,488,692
Capital reserves Additions	16		15,874,534	15,874,534
Surplus/deficit for the year		271,401		271,401
Balance carried forward as at 30 June 2023	16	-7,235,027	100,869,654	93,634,627

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VI. Statement of Cash Flows for the year ended 30 June 2023

		2022/2023 FY	2021/2022 FY
	notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from Government entities/ Operational grants	6a	7,500,000	6,840,000
Transfers from other Government entities	6b	0	2,965,033
Rendering of services- Fees from students	5	6,897,462	5,929,490
Other income	6	654,500	1,672,500
Total Receipts		15,051,962	17,407,023
Payments			
Use of goods and services	7	5,540,013	5,523,853
Compensation of employees	8	4,663,400	3,297,232
BOG expenses	9	817,929	605,143
Repairs and maintenance	10	351,093	622,782
Depreciation	17	3,408,126	3,648,050
Total Payments		14,780,561	13,697,060
Net (deficit)/surplus for the year		271,401	3,709,963
Adjustment for non-cash items; Depreciation & Amortization expense	17	3,408,126	3,648,050
Net cash flows from operations		3,679,527	7,358,013
Cash flows from operations before working capital changes			
(Increase)/Decrease in receivables- from exchange transactions	12	-867,457	-1,522,544
(Increase)/Decrease in receivables- from non-exchange transactions	13	-3,211,000	229,482
(Increase)/Decrease in inventories		939,483	-2,666,416
Increase in payables	14	11,930	175,380
Net cash flows from operating activities		552,483	3,573,915
Cash flows from Investing activities			
Capital Grants & Mathira NG- CDF Donations	15		2,372,250
Purchase (additions) of Property Plant & Equipment and Intangible assets	16	-3,124,534	-2,147,390
Net cash flows from investing activities			0
Net increase/(decrease) in cash and cash equivalents		-2,572,051	3,798,775
Cash and cash equivalents at 1 July 2022	11	6,488,886	2,690,111
Cash and cash equivalents at 30 June 2023	11	3,916,835	6,488,886

The Financial Statements set out on pages 4 to 4 were signed by:



Chairman of Council/Board

Date 14/05/2025



Finance Officer

ICPAK No 21228

Date 14/05/2025



Principal

Date 14/05/2025

MATHIRA TECHNICAL & VOCATIONAL COLLEGE
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XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	
	Shs	Shs	Shs	Shs	Shs	%	
	A	b	c= a+b	D			
Revenue							
Transfer from National government	9,000,000		9,000,000	7,500,000	1,500,000	17%	(a)
Development grants from National government	0	-	0	0			
Transfers from other levels of Government		-					
Income Generating activities	955,000	-	955,000	654,500	300,500	31%	(b)
Rendering of services and other incomes	7,926,000	-	7,926,000	6,897,462	1,028,538	13%	(c)
Total income	17,881,000		17,881,000	15,051,962			
Expenses							
Use of Goods and Services	9,957,490		9,957,490	5,540,013	4,425,977	44%	(d)
Personnel emoluments	5,450,000	-	5,450,000	4,663,400	786,600	14%	(e)
Remuneration to Board of Governors	1,375,710	-	1,375,710	817,929	557,781	41%	(f)
Repairs and maintenance	1,097,800	-	1,097,800	351,093	746,707	68%	(g)
Total expenses	17,881,000		17,881,000	11,363,935			

EXPLANATIONS OF MATERIAL VARIANCES

- (a) The difference of 17% is because capitation for quarter four was not received while in the three quarters it was under received by Ksh 2,500 in quarter 1 and Ksh 3,500 in quarter 3 & 4
- (b) There was an 31% decrease from income generating was because expected enrollment was not achieved during the year
- (c) The difference of 31% is because expected enrollment of 300 was not achieved during the year
- (d) Expenditure was at 44% during the year since the capitation for quarter four which was budgeted to procure two additional ERP modules was not received from the government
- (e) The difference of 14% is because the institution got additional trainers in Electrical therefore cost of hiring a BOG Staff increased.
- (f) The difference of 41% is because the board planned activities were not executed in full therefore couldn't absorb the amount allocated.
- (g) The difference of 68% is because less improvements took place since capitation for quarter four which was budgeted to provide for such repairs was not received from the government.

XVIII. Notes to the Financial Statements

1. General Information

Mathira Technical & Vocational College is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is offering competence Based Technical Training, prepare and guide trainees, for evaluation and certification by appropriate examining bodies and promote Science, Technology and Innovation in all training programs.

2. Statement of Compliance and Basis of Preparation

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

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.**

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Rental income

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

b) Budget information

The original budget for FY 2022/2023 was approved by the Council or Board on 30/09/2023 no Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under section1 of these financial statements

c) Property, plant and equipment

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

Land is not depreciated.

Depreciation on property, plant and equipment is recognized in the income statement on a reducing balance basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are:

	Depreciation Rates (%)	Depreciation Method
Land	0%	
Buildings	2%	Reducing balance method
Motor Vehicles	20%	Reducing balance method
Ablution Block	2%	Reducing balance method
Furniture and fittings	12.5%	Reducing balance method
Motor cycles	20%	Reducing balance method
Machinery	12.5%	Reducing balance method
Other Equipment	12.5%	Reducing balance method
plumbing workshop	2%	Reducing balance method
Loose tools	12.5%	Reducing balance method
Masonry workshop	2%	Reducing balance method
Computers systems	25%	Reducing balance method

A full year's depreciation charge is recognized both in the year of asset purchase and in the year of asset disposal.

Inventories

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

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

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

Inventories

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

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

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

d) Changes in accounting policies and estimates

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

e) Cash and cash equivalents

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

f) Comparative figures

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

g) 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.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

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4.a Transfers from other National Government entities

Transfers from National Government Ministries	Year ended 30 June 2023	Year ended 30 June 2022
Unconditional grants		
Government capitation	7,500,000	6,840,000
Total Government grants and subsidies	7,500,000	6,840,000

4. transfers from other Government entities

	Year ended 30 June 2023	Year ended 30 June 2022
Transfer from other Government Agencies		
KENHA	0	2,965,032.55
Total transfers from other Government Agencies	0	2,965,032.55

5. Rendering of Services

Rendering of Services	Year ended 30 June 2023	Year ended 30 June 2022
School Equipment &Stores (SES)	1,875,625	1,665,000
Personal Emoluments (PE)	2,098,196	1,862,580
Local Travel & Transport (LT&T)	300,100	266,400
Repair Maintenance &Improvement (RMI)	250,083	222,000
Insurance	75,025	59,100
Electricity Water &Conservancy (EWC)	642,714	570,720
Activity Fund	762,754	606,950
Industrial Attachment	462,654	410,700
Registration fee	155,500	0
Student Id	51,833	66,600
Development	0	0
ICT Materials	0	0
Student welfare	82,933	88,000
Gratuity	140,046	111,440
Contingencies		
Total rendering of services	6,897,462	5,929,490

6. Other Income

Other incomes	Year ended 30 June 2023	Year ended 30 June 2022
Textile unit Income		
Driving school	477,500	1,393,500
Rentals (Hire of Institution Facilities)	41,500	78,500
Sale of tender document		
Computer packages income	135,500	200,500
Total other incomes	654,500	1,672,500

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7. Use of Goods and Services

Use of goods and services	Year ended 30 June 2023	Year ended 30 June 2022
Administration expenses	1,643,439	2,596,939
Activity expenses	241,045	210,850
Electricity and water	363,295	274,753
Driving school	288,287	86,102
Tuition	1,035,501	748,780
Industrial attachment	42,130	51,940
Insurance	297,221	410,522
Local Travel and transport	779,075	565,050
Fuel	157,435	
Contracted services	498,600	498,600
Covid-19 expenses	0	3858
Textile unit expenses	0	00
Student welfare	23,500	30,700
Bank charges	9,645	7,959
Computer Packages	160,840	37,800
Total use of goods	5,540,013	5,523,853

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8. Employee Costs

	Year ended 30 June 2023	Year ended 30 June 2022
Personnel Emoluments	4,663,400	3,297,232
Total Employee costs	4,663,400	3,297,232

9. Board/Council Expenses

	Year ended 30 June 2023	Year ended 30 June 2022
	ksh	ksh
BOG expenses	817,929	605,143
Total BOG expenses	817,929	605,143

10. Repairs and Maintenance

	Year ended 30 June 2023	Year ended 30 June 2022
	ksh	ksh
Repairs Maintenance and Improvement (RMI)	351,093	622,782
Total Repairs and maintenance	351,093	622,782

11. Cash and Cash Equivalents

a). Cash And Cash Equivalents	Year ended 30 June 2023	Year ended 30 June 2022
	ksh	ksh
Cash and Cash Equivalents		
Current account	3,812,251	6,293,866
Cash on hand	104,584	195,020
Total cash and cash equivalents	3,916,835	6,488,886

(b). Detailed Analysis of Cash and Cash equivalents

	Year ended 30 June 2023	Year ended 30 June 2022
Financial Institution	Kshs	Kshs
Current Account		
Kenya Commercial Bank	3,812,251	6,293,866
Cash in Hand	104,584	195,020
Sub- Total	104,584	195,020
Grand Total	3,916,835	6,488,886

12. Inventories

Description	Year ended 30 June 2023	Year ended 30 June 2022
	Kshs	Kshs
Consumable stores	821,577	2,666,416
Total Inventories at lower of Cost and Net Realizable Value	821,577	2,666,416

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13. Receivables from Exchange transactions

	Year ended 30 June 2023	Year ended 30 June 2022
	Kshs	Kshs
Student debtors	5,753,188	4,885,731
Total current receivables	5,753,188	4,885,731

14. Receivables from Non-Exchange transactions

	Year ended 30 June 2023	Year ended 30 June 2022
	Kshs	Kshs
Government capitation	4,536,000	1,325,000
KENHA	2,043,336	2,043,336
Total non-exchange receivables	6,579,336	3,368,336

15.(a) Trade and Other Payables from Exchange transactions

	Year ended 30 June 2023	Year ended 30 June 2022
Trade payables		
Examination fees	0	135,070
Accruals		
Total trade and other payables	0	135,070

15. (b) Refundable Deposits from Customers/Students

Description	Year ended 30 June 2023	Year ended 30 June 2022
	Kshs	Kshs
Caution money	406,500	259,500
Total Deposits	406,500	259,500

16. Capital reserves & P.P.E Additions

Mathira T.V.C.	Furniture and fittings	394,450
Mathira T.V.C.	Work in progress Work in progress (WIP)- masonry workshop	247,873
Mathira T.V.C.	plumbing workshop	
Mathira T.V.C.	Other Equipment	259,200
Mathira T.V.C.	Loose tools	181,051
Mathira T.V.C.	Machinery	301,900
Mathira T.V.C.	Buildings	582,910
Mathira T.V.C.	Computer Systems & Softwares	1,157,150
Sub-total		3,124,534
G.O. K	Buildings	750,000
G.O. K	Computer Systems & Softwares	12,000,000
Sub-total		12,750,000
	TOTAL	15,874,534

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17. Property, Plant and Equipment

Property, Plant and Equipment	Land	Buildings	Motor Vehicles	Motor cycles	Ablution Block	Furniture and fittings	Machinery	plumbing workshop	WIP Masonry workshop	Loose tools	Other Equipment	Computer Systems	TOTAL
NBV. JULY 2022	4,500,000	44,507,953	8,241,358	262,638	1,166,886	659,012	1,944,531	1,900,812	352,150	29,584	930,359	-	64,495,283
Additions	-	1,332,910	-	-	-	394,450	301,900		247,873	181,051	259,200	13,157,150	15,874,534
At 30 June 2023	4,500,000	45,840,863	8,241,358	262,638	1,166,886	1,053,462	2,246,431	1,900,812	600,023	210,635	1,189,559	13,157,150	80,369,817
Depreciation		901,818	1,648,272	52,528	23,338	131,683	280,804	38,016	12,000	26,329	148,695	144,644	3,408,126
NBV. At 30 June 2023	4,500,000	44,939,045	6,593,086	210,110	1,143,548	921,779	1,965,627	1,862,796	588,023	184,306	1,040,864	13,012,506	76,961,691
NBV. 2022 June 2022	4,500,000	44,507,953	8,241,358	262,638	1,166,886	659,012	1,944,531	1,900,812	352,150	29,584	930,359	-	64,495,283

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18.a Depreciation and Amortization expense

Description	2022-2023	2021-2022
	ksh	ksh
Property, plant and equipment	3,408,126	3,648,050
Total depreciation and amortization	3,408,126	3,648,050

18.b Depreciation Rates.

	Depreciation Rates (%)	Method
Land	0%	
Buildings	2%	Reducing balance method
Motor Vehicles	20%	Reducing balance method
Ablution Block	2%	Reducing balance method
Furniture and fittings	12.5%	Reducing balance method
Motor cycles	20%	Reducing balance method
Machinery	12.5%	Reducing balance method
Other Equipment	12.5%	Reducing balance method
plumbing workshop	2%	Reducing balance method
Loose tools	12.5%	Reducing balance method
Masonry workshop	2%	Reducing balance method
Computer systems & software	25%	Reducing balance method

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XIX. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Non-compliance with law on ethnic composition	The management will undertake to advertisement and consider new recruitment and replacements of staff by making several positions reserved for different ethnic groups.	<i>Partially Resolved</i>	By 30 th May 2023
2.	Lack of Internal Audit Function and an Audit Committee of the Board	The management will endeavour to recruit an internal auditor and operationalize the internal Audit function as advised The Audit Committee of the Board was appointed on 31st March 2022 during the Full BOG meeting	<i>Partially Resolved</i>	By 30 th May 2023
3.	Lack of risk management policy & strategy	The management has a proposed a draft Risk management policy which will ensure proper Risk management in future	<i>Partially Resolved</i>	By 30 th May 2023
4.	Lack of approved information communication technology security policy	The management has proposed the purchase of storage devices for every department to store and secure data and information. The management has also proposed the procurement of a management information system where data and information will be	<i>Partially Resolved</i>	By 30 th May 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		accessed by authorized personnel only as well as use cloud storage.		
5.	Lack of Human Resource Policy documents	A draft human resource policy document has been developed	<i>Partially Resolved</i>	By 30 th May 2023
6.	Unconfirmed property plant and equipment balance-lack of ownership documents	The title deed for the land has not been processed. However, Titling and Land ownership process is currently ongoing as directed by the PS State Department of TVET	<i>Partially Resolved</i>	By 30 th May 2023

Guidance Notes:

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



SAMUEL MUGECA
 Principal/Secretary BOG

Date 14/05/2025

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XX. APPENDIX II: Projects Implemented by the College

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Plumbing Workshop	1	Mathira T.V.C.	1 year	130,338.76	NO	YES
Retaining Wall	1	Mathira T.V.C.	1 year	453,455	NO	YES

Status of Projects completion

	Project	Total project Cost Kshs	Total expended to date Kshs	Completion % to date	Budget	Actual	Sources of funds
1	Plumbing Workshop	130,338.76	109,552.76	100%	130,338.76	109,552.76	Mathira T.V.C. internally generated funds
2	Retaining Wall	453,455	422,573	100%	453,455	422,573	Mathira T.V.C. internally generated funds