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THE NATIONAL ASSEMBLY PAPERS LAID	
<b>REPORT</b>	DATE: 28 FEB 2023
TABLED BY:	DAY: TUESDAY
OF	The leader of the Majority Party (Loma)
THE TITLE:	Insoju Mwale

**THE AUDITOR-GENERAL**

**ON**

**KIPIPIRI TECHNICAL AND VOCATIONAL  
COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2021**





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**KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE 2021**

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

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## **KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

Kipipiri Technical and Vocational College is a public TVET institution under the ministry of Education and it is an integral part of the skills development system in the country. It 's mandate is derived from the TVET Act 2013 and it is responsible for offering skills development programmes to youth and adults in the technical, business and scientific fields in order to satisfy the needs of the national economy.

Its construction started in 2014 under phase I which comprised of 60 TTIs through the government initiative to construct a TTI in each of the 290 constituencies.

Kipipiri TVC is built on a 2.2 Hectares plot at Mawingo shopping centre along the Olkalou- Engineer road in a quiet environment conducive for learning.

### **(b) Principal Activities**

The core objectives are:

- Provide adequate and appropriate skilled Artisans, Craftsmen, Technicians and Technologists at all levels of the economy through practical training and experience.
- To offer demand driven and market driven courses through collaboration with industries.
- Provide increased training opportunities for the increasing number of schools leavers, learners and trainees to increase employability.
- Provide continuously upgrading of skills and knowledge at the pace and ability of the trainees.
- Provide a dynamic curriculum responsive to the manpower needs of a dynamic economy impart marketable skills, technical know-how and attitude that respond to contemporary labour market demands by the industry, informal sector and for self-employment.

#### **Motto:**

Empower with Skills and Technology.

#### **Vision:**

A College of Choice in TVET and Innovative Research.

#### **Mission:**

To develop high quality human resource with emphasis on technical academic excellence and development programmes to meet the growing technological and socioeconomic needs of our nation and the world at large.

#### **Mandate:**

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

### **(c) Key Management**

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

- Board of Governors.
- Principal

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**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	James Karanja Chege
2.	Deputy Principal	Alexander Maina Mwangi
3.	Finance Office	Daniel Kiuna Njogu
4.	Dean of Students	Esther Wambui Kariuki
5.	Registrar	Job Kibet
6.	H.O.D Electrical	Joseph Mwangi Ngaruia
7.	H.O.D ICT	Mary Njeri Wangechi
8.	H.O.D Business	Harun Nderitu Karara

**(e) Fiduciary Oversight Arrangements**

The key fiduciary Oversight committees are:

- I. Education, Research and Development Committee  
Members
  - Zachary Nderitu – Chairman.
  - Caroline Gikibi – B.O.G Member.
  - Caren Ambale – B.O.G Member.
  
- II. Finance, Planning and Administration Committee  
Members
  - Caren Ambale - Chairman.
  - Joel Oyuga - B.O.G Member.
  - David Kimani - B.O.G Member.
  
- III. Audit and Risk Management Committee  
Members
  - Daniel Kabira – Chairman.
  - Zachary Nderitu - B.O.G Member.

**(f) Entity Headquarters**

**(g) Entity Contacts**

Telephone: +254 -727069870

E-mail: kipipiritechnical2016@gmail.com

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**(h) Entity Bankers**

1. Equity Bank

Ol-Kalou Branch, Kenya

Account 1 Name: Kipipiri Technical and Vocational College

Account Number: 0620276272211

Account 2 Name: Kipipiri Technical and Vocational College

Account Number: 0620280602888

2. Co-operative Bank

Ol-Kalou Branch, Kenya

Account 1 Name: Kipipiri Technical and Vocational College

Account Number: 01139467681000

Account 2 Name: Kipipiri Technical and Vocational College




Account Number: 01139467681001

**I. Independent Auditors** The Auditor  
General Office of Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084

GPO 00100 Nairobi,  
Kenya

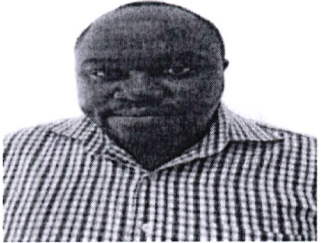
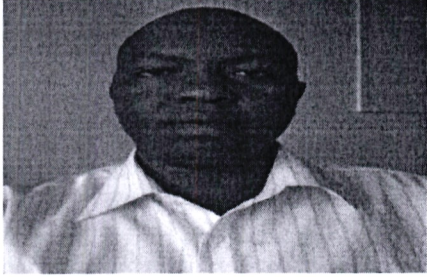


**II. Principal Legal Advisor**  
The Attorney General State  
Law Office Harambee  
Avenue P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

(i) THE BOARD OF GOVERNORS

 <p>James K. Kamiri (BOG Chairman)</p>	<p>Date of birth: 1967                  Date of appointment: 29<sup>th</sup> January 2018                  Key qualification: MBA Marketing and Strategy UON.                  Work experience: He has 28 years' experience in the insurance industry. He is currently the General Manager in charge of Strategy, Marketing and Distribution at CIC Insurance group. He has previously worked with UAP, APA and Britam insurance companies.</p>
 <p>JAMES KARANJA CHEGE (PRINCIPAL/SECRETARY B.O.G)</p>	<p>Date of birth: 26<sup>th</sup> December 1962                  Date of appointment: 24<sup>th</sup> September 2020                  Key qualification: MBM (Finance), BBM (Accounting), and Diploma in Education.                  Work experience: Has 32 Years teaching in TVET institutions.</p>
<p>Caroline Njeri Gikibi (BOG Member/ Leadership and Management).</p>	<p>Date of appointment: 17<sup>th</sup> February 2021                  Key qualification: She holds a Bachelors of Arts (Economics and Sociology) from Kenyatta University.                  Work Experience: Haas three years work experience having worked as a sales executive, marketing excutive and is currently a liaison officer in the office of the majority leader, county government of Nyandarua.</p>
 <p>CAREN AKUMU AMBALE (BOG Member/ Financial Management)</p>	<p>Date of birth: 9<sup>th</sup> December 1987                  Date of appointment: 29<sup>th</sup> January 2018                  Key qualification; She is a holder of Master of Economics (Policy and Management) from Kenyatta University.                  She has 9 years working experience in the banking industry. She is currently working at Consolidated bank head office.</p>



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 <p>ARCH JOEL ODHIAMBO OYUGA (BOG Member/Technology)</p>	<p>Date of birth: 9<sup>th</sup> January 1982 Date of appointment: 29<sup>th</sup> January 2018 Key qualification: He holds a MSc (Construction Project Management) from JKUAT. He has 13 years' experience in both teaching and architectural designing. He is currently an Architect Partner at Synarc Systems Ltd.</p>
 <p>DANIEL KABIRA WAMAE (BOG Member/Industry)</p>	<p>Date of birth: 7<sup>th</sup> August 1983 Date of appointment: 17<sup>th</sup> February 2021 Key qualification: He holds a BCom. (Finance) and CPA (K). He has 13 years working experience in Finance and Accounting.</p>
 <p>ZACHARY KARIUKI NDERTU(BOG Membe/ICT)</p>	<p>Date of birth: 14<sup>th</sup> February 1986 Date of appointment: 29<sup>th</sup> January 2018 Key qualification: He holds a BSc (Computer Technology) from JKUAT He has 10 years of experience as a Systems Administrator, having worked with Interswitch Kenya for 4 years in the ATM operations and Support and currently with Tower Sacco Ltd among key responsibilities is LAN/WAN monitoring and maintenance.</p>
 <p>David Kamau Kimani (BOG Member/ Engineering)</p>	<p>Date of birth: 24<sup>th</sup> September 1991 Date of appointment: 19<sup>th</sup> July 2021 Key qualification: He is a Bachelor of Construction Management from University of Nairobi. He has 8 years working experience in constructions.</p>

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(ii) MANAGEMENT TEAM

 <p>JAMES KARANJA CHEGE (PRINCIPAL/ SECRETARY B.O.G)</p>	<p>Date of birth: 26<sup>th</sup> December 1962                  Date of appointment: 24<sup>th</sup> September 2020                  Key qualification: MBM (Finance), BBM (Accounting), and Diploma in Education.                  Work experience: Has 32 Years teaching in TVET institutions.</p>
 <p>DANIEL KIUNA NJOGU (FINANCE OFFICER)</p>	<p>Date of birth: 30<sup>th</sup> August 1994                  Key qualification: MBA (Finance), CPA(K), BCOM (Finance).                  Work Experience: 7 Years in Audit and Accounting.</p>

### III. 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.

Kipipiri TVC intends to use ICT integration to fasten and improve service delivery as well as increasing the quality and diverse range of products offered.

Kipipiri TVC 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 Nyandarua county and Kenya in general.

Since inception, Kipipiri TVC has endeavored 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.

The institution was registered as a public institution in 2016 and is offering market driven programs approved by TVETA and Examined by KNEC. More programs will be added in the near future as we anticipate actualizing Big Four Agenda.

Our collaboration with HELB has been fruitful since most of our students are from humble background.

We are indebted to the Ministry of education for continuous support.

#### **Review of the Sector and Changes**

During the year, we have witnessed a positive growth in student enrolment from 178 in year 2019/2020 to 200 in 2020/2021. This growth was attributed to reduction in fees payable as a result of Government Capitation approach to ensure affordable technical vocational training to every high school graduate who has not met the required threshold to join university education. This initiative of transition by the government has so far been successful, and the future looks quite bright indeed.

#### **Risk Management**

The technical training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training outcomes. The college has developed an enterprise risk management policy and framework to ensure that our activities are aligned with our strategic plan objectives. The Board of Governors regularly reviews risks identified - such as competition, information & communications technology and credit and operations; and how the risks involved can be mitigated by various risk owners.

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### Operation and Management

In the spirit to excel, we endeavour to be a centre of Excellence in scientific, technological, training and innovation so as to produce competent graduates who are capable of integrating the acquired skills in nation building in line with Vision 2030 and the Big4 Agenda (i.e. food security, affordable housing, universal health and manufacturing).

### Challenges

The college faced various challenges during year as outlined below:

- ❖ Funding, low enrolment attributed to low funding from the government.
- ❖ Limited infrastructure hindering expansion.
- ❖ Lack of accommodation within the college.

### Outlook

I am indeed deeply indebted to the members of the Board of Governors for their unwavering support, commitment and futuristic outlook towards realising the college's objectives in line with its strategic plan and core mandate of training market-driven technical manpower. Noteworthy is the Board's diverse qualifications and experience. I unreservedly assure all our Stakeholders we at Kipipiri Technical College, shall remain focussed, committed and consistent in the delivery of opportunities and accountably availing of resources to both trainers and trainees within the Government framework of accountability, corporate governance and ethical sustainability.


Lastly, I would like to whole-heartedly thank my fellow members of the Board of Governors, Management, Trainers, Trainees – and all other stake-holders for their co-operation, collaboration, continued support and commitment during this period under review.



Mr. Joseph Kariuki Kamiri

**CHAIRMAN, BOARD OF GOVERNORS**

9<sup>th</sup> July, 2021.

4<sup>th</sup> July 2022  


#### IV. REPORT OF THE PRINCIPAL

Kipipiri Technical and Vocational College is well placed to providing adequate and relevant training to her graduates that will enable them to contribute towards the attainment of our country's Vision 2030 strategic objectives. In furtherance of our mandate therefore, we have committed to consistently and regularly review, improve and consolidate our college programs in ways that will ensure their competitiveness in terms of quality and relevance.

The first batch of students was admitted in September 2017. The enrolment has grown to 200 students as at 30<sup>th</sup> June 2021.

Kipipiri TVC has three academic departments as follows:

- Electrical and Electronic Engineering.
- Business Studies.
- Information Communication Technology.

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

- Diploma
- Craft
- Artisan

Kipipiri TVC is establishing 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 education and training delivery through the implementation of performance contracting, strategic plan and Quality Management System. Kipipiri TVC is accredited by Technical Vocational and Training authority (TVETA).

Kipipiri TVC introduced CBET courses in January 2020.

#### ***Major risks facing the organisation.***

The college's 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. Student turnover
- iii. Inadequate student accommodation and support facilities
- iv. Delayed disbursement of capitation and HELB grants
- v. Staff turnover due to inability to retain them

#### **Challenges**

The college faced various challenges during year as outlined below:

- ❖ Funding, low enrolment attributed to low funding from the government and covid-19 economic impact.
- ❖ Limited infrastructure hindering expansion
- ❖ Lack of accommodation within the institute

#### **Successes**

Kipipiri Technical College enrolment has grown from 178 students in year 2019/2020 to 200 students in year 2020/2021. This was as a result of an intensive publicity and marketing campaign mounted in the year. A Local Area Network (LAN) was installed and the offices, laboratories and tuition rooms have a reliable internet connectivity. The College has introduced more courses in this financial year and has also added more facilities to enhance training; technical drawing tables and stools, vertical electrical installation boards, staff work stations and office furniture. The College also re-branded to improve

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aesthetics and be attractive to learners.

**Future Outlook**

The management intends to introduce more market driven courses in the next financial year such as hairdressing and beauty, plumbing, civil engineering, food and beverage among others. The management also intends to engage financing agencies such as the NG-CDF for infrastructural development funding.

Thank you.

James Karanja Chege.

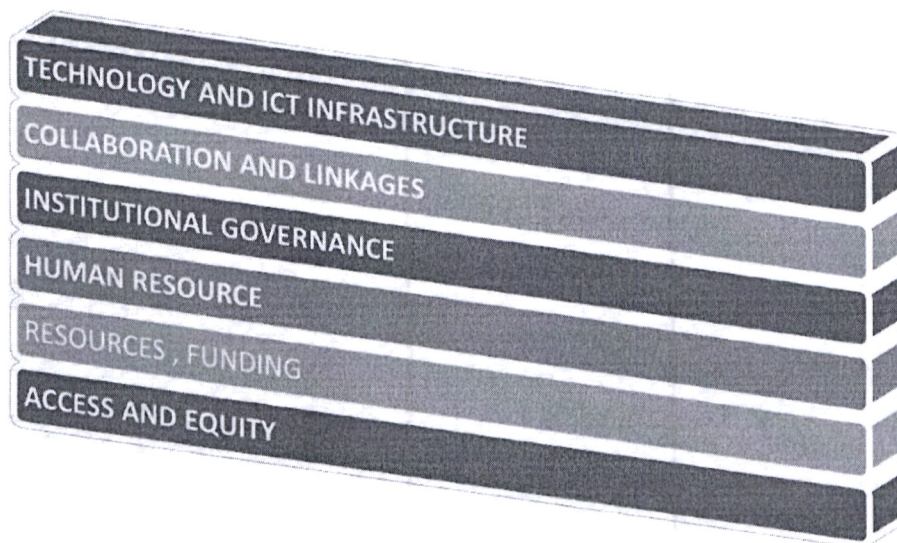


**Principal/BOG Secretary**

**V. REVIEW OF KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE'S PERFORMANCE FOR FY 2020/2021**

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.

*Kipipiri Technical and Vocational College* has 6 strategic pillars and objectives within its Strategic Plan for the FY 2016/2017- 2020/2021. These strategic pillars are as follows:



*Kipipiri Technical Vocational College* develops its annual work plans based on the above 6 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *College* achieved its performance targets set for the FY 2020/2021 period for its 2 strategic pillars, as indicated in the diagram below:

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A STRATEGIC PILLAR	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: TECHNOLOGY AND ICT INFRASTRUCTURE	Promote effective application of ICT	<ul style="list-style-type: none"> <li>* Complete ICT infrastructures</li> <li>□ Installation of Management Information System</li> <li>* ICT courses</li> </ul>	<ul style="list-style-type: none"> <li>* Develop adequate ICT capacity and infrastructure</li> <li>□ Institutionalized Management Information System (MIS)</li> <li>* Promote the use of ICT in Curriculum delivery and management systems</li> </ul>	ICT courses are being offered in the institution MIS is in the process of being installed
	Enhance Equipment and Technology	<ul style="list-style-type: none"> <li>* Institution incubator and use of modern equipment and Technology</li> </ul>	<ul style="list-style-type: none"> <li>* Develop institution incubator</li> <li>* Promote use of modern equipment and Technology</li> </ul>	To be implemented
Pillar 2: Competitiveness	Enhance competitiveness	<ul style="list-style-type: none"> <li>* Increased students' numbers</li> </ul>	<ul style="list-style-type: none"> <li>* Strengthen existing competitiveness benchmarks</li> <li>* Establish new competitiveness benchmarks</li> </ul>	* Student numbers have continued to increase
Pillar 3: INSTITUTIONAL GOVERNANCE	<ul style="list-style-type: none"> <li>* Improve institutional corporate governance</li> <li>* Develop and Implement M&amp;E Systems</li> </ul>	<ul style="list-style-type: none"> <li>* Constant review of courses offered</li> <li>* Improved result based management in the training system</li> <li>* Improved budget accuracy level</li> </ul>	<ul style="list-style-type: none"> <li>* Develop and implement institutional policies, programmes (E.g. HIV/AIDS, Alcohol and drug abuse and health and safety, and environment)</li> <li>* Embrace results based management in the training system</li> <li>* Develop and implement M&amp;E systems</li> <li>* Fast track institutional expenditure review</li> </ul>	<ul style="list-style-type: none"> <li>* New courses being offered</li> <li>* Improved budget accuracy</li> </ul>

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Pillar 4: HUMAN RESOURCE	<ul style="list-style-type: none"> <li>✦ Harness Human resource</li> </ul>	<ul style="list-style-type: none"> <li>✦ Increased number of staff to match the increasing number of students</li> </ul>	<ul style="list-style-type: none"> <li>✦ Increase staff at TSC and BoG levels</li> <li>✦ Develop competencies in staff</li> </ul>	<ul style="list-style-type: none"> <li>✦ New staff been employed</li> </ul>	BoG have
	<ul style="list-style-type: none"> <li>✦ Improve and sustain relevance of skills</li> </ul>		<ul style="list-style-type: none"> <li>✦ Ensure quality assurance standards</li> <li>✦ Promote innovativeness in ST&amp;I</li> <li>✦ Establish the Center of excellence</li> <li>✦ Improve the quality of work culture Strategy</li> <li>✦ Encourage investment in the development and commercialization of TVET products and services including ICT</li> </ul>		
Pillar 5: FINANCIAL RESOURCES	<ul style="list-style-type: none"> <li>✦ Diversify sources and increase funding</li> </ul>	<ul style="list-style-type: none"> <li>✦ New development partners</li> <li>✦ Enhanced existing partners' relationship</li> <li>✦ Increase in government development funds</li> </ul>	<ul style="list-style-type: none"> <li>✦ Increase GoK funding</li> <li>✦ Exploit external funding possibilities through developed criteria</li> <li>✦ Expand income generation at institutional level</li> </ul>	<ul style="list-style-type: none"> <li>✦ There are development partners funding development projects.</li> <li>✦ The institution continues to receive development funds from the government.</li> </ul>	
Pillar 6: ACCESS AND EQUITY	<ul style="list-style-type: none"> <li>Enhance Access and equity</li> </ul>	<ul style="list-style-type: none"> <li>✦ Improved training programmes in MSE sector.</li> <li>✦ Expansion of facilities</li> </ul>	<ul style="list-style-type: none"> <li>✦ Expand facilities based on government priorities</li> <li>✦ Support TVET trainees</li> <li>✦ Promote affirmative action for TVET trainees</li> <li>✦ Reform and enhance education, training, and guidance services.</li> <li>✦ Improve training programmes in MSE sector.</li> </ul>	<ul style="list-style-type: none"> <li>✦ Expansion of facilities achieved</li> </ul>	

## VI. CORPORATE GOVERNANCE STATEMENT

Kipipiri Technical Training Institute is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, that strengthens Board 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 the Government's interest in the long-term success of the college and its financial strength in order to discharge its mandate. The Board serves as the ultimate policy 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 of Governors held Four Full board meetings and two subcommittee meetings in the financial year 2020/2021. The current board was appointed on 19<sup>th</sup> February 2021 for a term of 3 years ending 18<sup>th</sup> February 2024.

There are three subcommittees of the board currently in place, namely; The key fiduciary Oversight committees are:

- i. Education, Research and Development Committee (Three members)
- ii. Finance, Planning and Administration (Three Members)
- iii. Audit and Risk Management Committee (Two Members)

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

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions; (1) receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;

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- (g) 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;
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
- (l) Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the Board;
- (p) Providing for the welfare of the students and staff of the institutions;
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- (r) 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 institution 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 the render their duties above board. This will be attained with the incorporation of team spirit and self-sacrifice that is deep within them.

**BOG Remuneration**

It is the policy of the college not to pay any salary to the BOG. However, BOG members are reimbursed any expenses incurred in attending meetings.

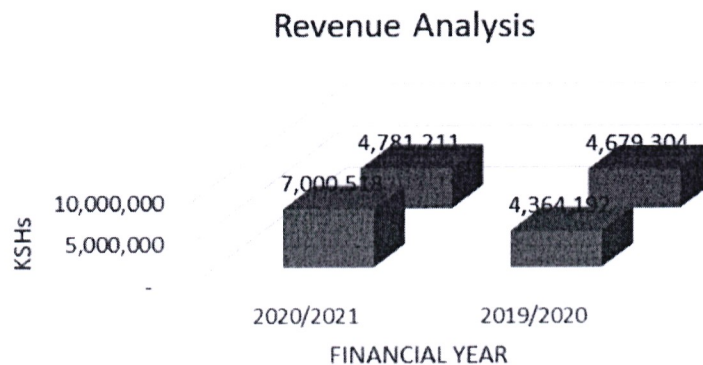
The total reimbursement for the year was Ksh. 315,000

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

**Kipipiri Technical and Vocational College operational and financial performance**

During the year ended 30 June 2021, the College had 200 students compared to 178 in year 2019/2020. Though the education sector was highly affected by the outbreak of Covid 19 in the world, the revenues increased. This was attributed to increased number of students.

Below are the graphs and pie charts analysing the revenues and expenses of the institution.

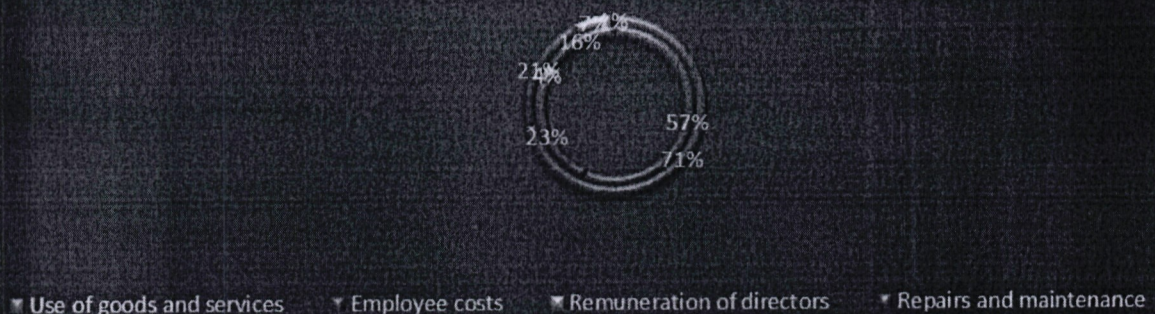


The above graph shows that the government funding was higher in year 2020/2021 compared to 2019/2020.

Rendering of services income increased in year 2020/2021 compared to 2019/2021 due to increased number of student.

The contribution of each expense as a percentage of total expenses is as shown below.

**Expenses Analysis**



### **Kipipiri Technical and Vocational College compliance with statutory requirements**

Kipipiri Technical and Vocational College complies to deduction and remittance of statutory deductions such NHIF, NSSF and PAYE

#### ***Major risks facing the organisation.***

The institutes' 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. Student turnover
- iii. Inadequate student accommodation and support facilities
- iv. Delayed disbursement of capitation and HELB grants

### **Key projects and investment decisions**

*The projects under consideration in the FY 2020/2021 are summarised in the table below*

No key projects that are ongoing

## **CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

*Kipipiri Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy: putting the human aspect first.*

### **1. Community Engagements-**

During the year under review, the college carried out various CSR activities to impact the society like tree planting and children homes visits.

### **2. Employee welfare**

At Kipipiri Technical and Vocational College, we value our employees and our many 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 Institute through community consultation process.

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**REPORT OF THE BOARD OF GOVERNORS**

The Board members submit their report together with for the year ended June 30, 2021 which show the state of Kipipiri Technical and Vocational College affairs.

**Principal activities**

The principal activities of the entity are training and development of human resource in various fields

**Results**

The results of the Kipipiri TVC for the year ended June 30, 2021 are set out on page 1 to 17.

**Board of governance**

The members of the Board who served during the year are shown on pages vi and vii.  
During the year none of our directors retired or was appointed into the board

**Auditors**

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

By Order of the Board.



James Karanja Chege  
Principal/Secretary BOG  
Date:..01/07/2022

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES**

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

The Board of governors are responsible for the preparation and presentation of Kipipiri TVC financial statements, which give a true and fair view of the state of affairs of Kipipiri TVC for and as at the end of the financial year (period) 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 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 Kipipiri TVC (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of governors accept responsibility for Kipipiri TVC financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the TVET Act of 2013*). The board of governors are of the opinion that Kipipiri TVC financial statements give a true and fair view of the state of Kipipiri TVC transactions during the financial year ended June 30, 2021, and of Kipipiri TVC financial position as at that date. The Board of governors further confirm the completeness of the accounting records maintained for Kipipiri TVC, which have been relied upon in the preparation of Kipipiri TVC financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of governors to indicate that Kipipiri TVC will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Kipipiri TVC financial statements were approved by the Board on 10<sup>th</sup> August 2021 and signed on its behalf by:



Board Member

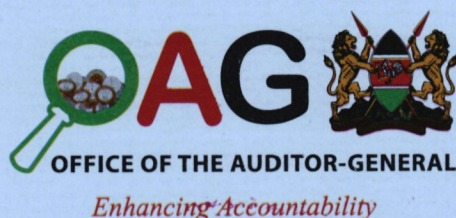


Board Member

Board Member

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kipipiri Technical and Vocational College set out on pages 1 to 20, which comprise of the statement of financial position as at 30 June, 2021 and the statement of financial performance, statement of changes in net asset, statement of cash flows and statement of comparison of budget and actual

amounts and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kipipiri Technical and Vocational College as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, and the Technical and Vocational Education and Training (TVET) Act, 2013

### **Basis for Qualified Opinion**

#### **1. Unsupported Expenditure**

The statement of financial performance and Note 7 to the financial statements reflect use of goods and services expenditure of Kshs.5,465,170 which includes an amount of Kshs.1,408,907 for examination and teaching materials of which Kshs.683,080 was utilized for the payment of examination fees for various students, however the payments were not supported by the list of the benefitting students, their admission numbers, the courses they are undertaking and the cost of exam per programme.

In the circumstances, the propriety of Kshs.683,080 on examination and teaching materials could not be confirmed.

#### **2. Unsupported Property, Plant and Equipment**

As previously reported, the statement of financial position reflects property, plant and equipment balance of Kshs.119,147,689 included in that balance are accessories donated by the State Department for Vocational and Technical Training through China bilateral contract agreement dated 25 May, 2016. However, the assets have not been valued by a professional valuer. In addition, the statement reflects property, plant and equipment net book value of Kshs.119,147,689 while Note 14 to the financial statement reflects a value of Kshs.118,465,797 resulting to an unexplained variance of Kshs.681,892.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.119,147,689 could not be confirmed.

#### **3. Unsupported Trade and Other Payables from Exchange Transactions**

The statements of financial position and Note 15 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.479,225. Included in the amount is payments received in advance of Kshs.414,020 that relates to school fees paid by students. However, the balance was not supported by fees statement or student creditors control ledger indicating the fees chargeable, actual payment received and the movements thereon to determine the prepayments.

In the circumstances, the accuracy and completeness of the trade and other payables from exchange transactions balance of Kshs.479,225 as at 30 June, 2021 could not be confirmed.

#### **4. Inaccurate Expenditure**

The statement of financial performance and Note 9 to the financial statements reflects an amount of Kshs.315,000 for remuneration of directors. However, the financial statements expenditure of Kshs.315,000 differs with the ledger and schedule balance of Kshs.420,200 leading to an unreconciled variance of Kshs.105,200. In addition, the statement and Note 11 to financial statements reflects an amount of Kshs.1,318,615 for repairs and maintenance. However, the financial statement balance of Kshs.1,318,615 differs with the ledger balance of Kshs.1,414,515 leading to an unreconciled variance of Kshs.95,900.

In the circumstances, the accuracy and completeness of the total expenditure of Kshs.1,633,615 for the year ended 30 June, 2021 could not be confirmed.

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

#### **Key Audit Matters**

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

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **Failure to Implement IFMIS Directive**

Review of the Colleges operational systems and statement of financial performance indicated that the College had total expenses amounting to Kshs.24,078,299 out of which a total of Kshs.5,769,586 was in respect various items and services which were procured outside the IFMIS e-procurement module since the

Management had not implemented Integrated Financial Information System (IFMIS). Further, it was established that the College operates without an approved accounting information system and instead used excel work books to maintain accounting records. Therefore, it had not adhered to the Executive Order No. 6 of 2016, which required all public entities to employ full use of e-procurement by 01 January, 2019.

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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

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

### Basis for Conclusion

#### 1. Lack of Internal Audit Function

The College did not have in place a functional Internal Audit Department. This results in inability to detect inefficiencies or deficiencies. In view of the above, the Management may lack an objective insight into the effectiveness of their risk management, internal control and governance processes as well as their evaluation and improvement thereof and this is contrary to the Public Finance Management Act, 2012 Section 73 sub-sections 4 and 5 which states that a National Government entity shall ensure that internal audits in respect of the entity are conducted in accordance with international best practices and every National Government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations.

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

#### 2. Lack of Fraud Policy

The College does not have in place a fraud management policy during the year under review to assist in detecting and preventing fraud contrary to Section 165(1) of the National Government Regulations, 2015, (1) which states that the Accounting Officer shall ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism.

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

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

### **Responsibilities of Management and the Board of Governors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS) and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**01 September, 2022**

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**IV. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	12 MONTHS 2020-2021 Kshs	12 MONTHS 2020-2019 Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	5	7,020,000	4,364,192
		<b>7,020,000</b>	<b>4,364,192</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	6	3,309,640	4,679,304
<b>Revenue from exchange transactions</b>		<b>3,309,640</b>	<b>4,679,304</b>
<b>Total revenue</b>		<b>10,329,640</b>	<b>9,043,496</b>
<b>Expenses</b>			
Use of goods and services	7	5,465,170	5,358,681
Employee costs	8	1,860,528	1,714,418
Remuneration of directors	9	315,000	512,000
Depreciation and amortization expense	10	15,118,986	18,697,118
Repairs and maintenance	11	1,318,615	34,500
<b>Total expenses</b>		<b>24,078,299</b>	<b>26,316,717</b>
<b>Other gains/(losses)</b>		-	-
<b>Net Deficit for the year</b>		<b>(13,748,659)</b>	<b>(17,273,221)</b>
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-
		<b>(13,748,659)</b>	<b>(17,273,221)</b>

The notes set out on pages' 6 to 17 form an integral part of the Annual Financial Statements.

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

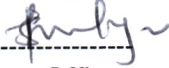
**V. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Notes	12 MONTHS 2020-2021	12 MONTHS 2019-2020
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	3,077,142	3,026,976
Current portion of receivables from exchange transactions	13	4,481,800	1,958,180
Receivables from non-exchange transactions	17	500,000	-
		<b>8,058,942</b>	<b>4,985,156</b>
<b>Non-current assets</b>			
Property, plant and equipment	14	119,147,689	133,584,783
		119,147,689	133,584,783
<b>Total assets</b>		<b>127,206,631</b>	<b>138,569,939</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	15	65,205	.
Payments received in advance		414,020	1,056,638
		<b>479,225</b>	<b>1,056,638</b>
<b>Non-current liabilities</b>			
		-	-
<b>Total liabilities</b>		<b>479,225</b>	<b>1,056,638</b>
<b>Net assets</b>		<b>126,727,406</b>	<b>137,513,301</b>
Reserves			
Accumulated surplus		(9,938,186)	3,928,518
Capital Fund		136,665,592	133,584,783
<b>Total net assets and liabilities</b>		<b>126,727,406</b>	<b>137,513,301</b>

The Financial Statements set out on pages 1 to 24 were signed on behalf of the college Board of Governors by:

  
Chairman Board of Governors

Date: 01/07/2022

  
Finance Officer

ICPAK No:3029

Date

  
Principal

Date: 01/07/2022

**KIPIRI TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021**

	Accumulated surplus	Capital Grants	Total
<b>At July 1, 2019 as previously stated</b>	-21,165,233	163,950,194	142,784,961
<b>Prior year adjustments:</b>			
Transfer of depreciation from accumulated surplus to capital grants	23,186,100	-23,186,100	-
Adjustment to accumulated surplus wrongly passed to capital grants in prior year	482,194	-482,194	-
Development bank balance not recognised	1,560	-	1,560
<b>At July 1, 2019 as restated</b>	2,504,621	140,281,900	142,786,521
Capital donation - land		12,000,000	12,000,000
Total comprehensive income	-17,273,221	-	-17,273,221
Transfer of depreciation from capital fund to retained earnings	18,697,118	-18,697,118	-
<b>At June 30, 2020</b>	3,928,518	133,584,783	137,513,301
<b>At July 1, 2020</b>	3,928,518	134,431,156	137,513,301
<b>Prior year adjustments:</b>			
Development bank fund	0	1,000,000.00	-
Total comprehensive income	(13,866,704)	-	(13,866,704)
<b>At June 30, 2021</b>	(9,938,186)	135,431,156	123,646,597

**VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

ITEM	NOTES	2020-2021	2019-2020
<b>Surplus / (Deficit) for the period</b>		(13,748,659)	(17,273,221)
Adjustment for:			
Depreciation		15,118,986	18,697,118
		1,370,327	1,423,897
Change in Working Capital			
(Increase)/Decrease in receivables from Exchange transactions		(2,523,620)	(700,428)
(Increase)/Decrease in receivables from Non-Exchange transactions		(500,000.00)	-
Increase/(Decrease) in payables from Exchange transactions		(577,413)	627,902
<b>Net cash generated from operating activities</b>	16	<b>(2,184,250)</b>	<b>1,351,371</b>
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		(851,898)	-
<b>Net cash flows used in investing activities</b>		<b>(851,898)</b>	-
Cash flows from financing activities			
Capital Reserve fund		2,280,872	-
<b>Net cash flows used in financing activities</b>		<b>2,280,872</b>	-
Net change in cash and cash equivalents	12	50,164	1,351,371
Opening cash and cash equivalent	12	3,026,977	1,675,606
Closing cash and cash equivalent		<b>3,077,141</b>	<b>3,026,977</b>

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

VIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget 2020-2021 Kshs	Actual on comparable basis 2020-2021 Kshs	Performance difference 2020-2021 Kshs
<b>Revenue</b>			
Transfers from other Govt entities Govt grants	18,000,000	7,020,000	10,980,000
Rendering of services- Fees from students	7,065,500	3,309,640	3,755,860
<b>Total income</b>	<b>25,065,500</b>	<b>10,329,640</b>	<b>14,735,860</b>
<b>Expenses</b>			
Compensation of employees	3,070,000	1,860,528	1,209,472
Use of Goods and services	12,703,448	5,465,170	7,238,278
Remuneration of directors	1,183,000	315,000	868,000
Repairs and maintenance	550,000	1,318,615	(768,615)
Development Expenditure	28,799,052	-	28,799,052
<b>Total expenditure</b>	<b>46,305,500</b>	<b>8,959,313</b>	<b>37,346,187</b>
<b>Deficit for the period</b>	<b>(21,240,000)</b>	<b>1,370,327</b>	<b>(19,869,673)</b>

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE  
2021

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

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

**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 Kipipiri TVC's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

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

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 (Continued)**

**i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021**

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model</li> </ul>

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Standard	Effective date and impact:
	<p>that is applicable to all financial instruments subject to impairment testing; and</p> <ul style="list-style-type: none"> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>(There is no impact of the standard to the entity)</i></p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul> <p><i>(There is no impact of the standard to the entity)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2022:</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>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.</li> </ul>
<p>Other Improvements to IPSAS</p>	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</li> <li>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</li> <li>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</li> <li>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to</li> </ul>

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Standard	Effective date and impact:
	make it consistent with the core principles in the Standard.

ii. **Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2020/2021.

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) **Revenue recognition**

i) **Revenue from non-exchange**

**transactions Fees**

The entity recognizes student capitation as other government grants when they are received.

Other non-exchange revenues are also recognized as government conditional or non-conditional grants when they are transferred to the entity's bank account.

**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 changes in net assets 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.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**b) Budget information**

The original budget for FY 2020/2021 was approved by the Board on 23<sup>rd</sup> August 2021. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 13 of Financial Provisions of TVET ACT No. 29 of 2013 of these financial statements.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 no depreciated.

Depreciation on all other assets is calculated on the reducing balance basis method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Buildings	2
Plant and machinery	20
Motor vehicles	25
Library books	10
Furniture and fittings	12.5
Computer equipment	30

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of changes in equity.

**d) Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less Accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

**Computer software**

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives which are estimated to be 5 years.

**e) Nature and purpose of reserves**

**a. Accumulated surpluses**

This relates to surpluses brought forward and the one for the current years.

**b. Capital grants**

This relates to fixed assets granted by the government or any other donor.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Employee benefits**

**Retirement benefit plans**

The institution and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The institution's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

**g) Related parties**

Kipipiri 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 Institution, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Principal, Head of Finance and Head of Procurement.

The government of Kenya through the ministry of education is also related party to the Kipipiri TVC.

**h) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

**i) Biological assets**

The biological assets are recognized at their fair values less estimated point-of-sale costs. The fair value is determined based on market prices.

**j) quent 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, 2021.

#### 4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Kipipiri TVC'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.

The board of Governance made only one significant judgment in preparing these financial statements.

##### 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

#### 5. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021	2019-2020
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant	1,500,000	3,569,192
Capitation	5,520,000	795,000
	<b>7,020,000</b>	<b>4,364,192</b>

#### 6. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition fees	3,309,640	4,679,304
<b>Total revenue from the rendering of services</b>	<b>3,309,640</b>	<b>4,679,304</b>

#### 7. USE OF GOODS AND SERVICES

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Description	2020-2021	2019-2020
	KShs	KShs
Teaching and learning materials	-	-
Electricity and Water	166,680	272,445
SES	20,000	19,000
Subscriptions	103,000	119,200
Activity fee	322,800	252,900
Examination & teaching materials	1,408,907	1,228,840
Admin expense	352,835	417,630
Internet	290,005	21,996
Security charges	450,000	361,500
Printing and stationery	116,135	334,900
Fines and penalties	79,169	-
Bank charges	9,800	12,840
Contingencies	30,640	113,260
Performance contract	289,640	336,300
Marketing expenses	118,050	76,000
Newspapers	24,880	24,240
Insurance	8,100	6,000
Postage	9,775	-
Conference	228,000	55,000
Travel, motor car, accommodation, subsistence and other allowances	1,237,554	656,400
Recruitment	-	677,350
Seminars and trainings	136,800	218,600
Consultancy fees	40,000	155,400
<b>Total good and services</b>	<b>5,442,770.00</b>	<b>5,358,681.00</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8. EMPLOYEE COSTS**

	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	1,860,528	1,714,418
<b>Total Employee costs</b>	<b>1,860,528</b>	<b>1,714,418</b>

**9. REMUNERATION OF DIRECTORS**

Description	2020-2021	2019-2020
	KShs	KShs
Board of governance allowances	315,000	512,000
<b>Total board of governance allowances</b>	<b>315,000</b>	<b>512,000</b>

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**10. DEPRECIATION AND AMORTIZATION EXPENSE**

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	15,118,986	18,697,118
<b>Total depreciation and amortization</b>	<b>15,118,986</b>	<b>18,697,118</b>

**11. REPAIRS AND MAINTENANCE**

Description	2020-2021	2019-2020
	KShs	KShs
Property	1,318,615	34,500
<b>Total repairs and maintenance</b>	<b>1,318,615</b>	<b>34,500</b>

**12. CASH AND CASH EQUIVALENTS**

Description	2020-2021	2019-2020
	KShs	KShs
Current account	2,075,582	3,025,416
Development account	1,001,560	1,560
<b>Total cash and cash equivalents</b>	<b>3,077,142</b>	<b>3,026,976</b>

**12(a) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS**

Financial institution	Account number	2020-2021	2019-2020
		KShs	KShs
<b>a) Current account</b>			
Co-operative Bank	01139467681000	1,440,417	2,114,988
Equity Bank	0620276272211	1,000,000	910,428
<b>b) Development</b>			
Co-operative Bank	01139467681001	1,560	1,560
Equity Bank	0620280602888	635,165	
<b>Sub- total</b>		<b>3,077,142</b>	<b>1,675,605</b>

**13. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

Description	2020-2021	2019-2020
	KShs	KShs
<b>Current receivables</b>		
Student debtors	4,481,800	1,958,180
<b>Total current receivables</b>	<b>4,481,800</b>	<b>1,958,180</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Land	Furniture and fittings	Computers	Plant and equipment	Total
	2%		12.50%	30%	20%	
<b>Cost</b>	<b>KSh</b>	<b>KSh</b>	<b>KSh</b>	<b>KSh</b>	<b>KSh</b>	
At 30th June 2020	53,000,000	12,000,000	2,500,000	2,200,000	105,768,000	175,468,000
Additions			520,500	331,398		851,898
Transfer/adjustments	0					-
<b>As at 30th June 2021</b>	<b>53,000,000</b>	<b>12,000,000</b>	<b>3,020,500</b>	<b>2,531,398</b>	<b>105,768,000</b>	<b>176,319,898</b>
<b>Depreciation and impairment</b>						
At 30th June 2020	2,098,800	-	585,938	1,122,000	38,076,480	41,883,218
Depreciation	1,018,024	-	239,257.88	323,400.00	13,538,304	15,118,985.88
<b>At 30<sup>th</sup> June 2021</b>	<b>3,116,824</b>	<b>-</b>	<b>890,258</b>	<b>1,544,819</b>	<b>51,614,784</b>	<b>57,166,685</b>
<b>Net book values</b>						
At 30 <sup>th</sup> June 2021	49,883,176	12,000,000	2,126,879	984,418	54,153,216	118,465,797.13
At 30 <sup>th</sup> June 2020	50,901,200	12,000,000	1,914,063	1,078,000	67,691,520	133,584,783

15. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Fees paid in advance	414,020	665,980
Outstanding suppliers	65,205	390,658
<b>Total trade and other payables</b>	<b>479,225</b>	<b>1,056,638</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**16. CASH GENERATED FROM OPERATIONS**

	2020-2021	2019-2020
	KShs	KShs
Surplus for the year before tax	(13,748,659)	(17,273,221)
<b>Adjusted for:</b>		
Depreciation	15,118,986	18697118
<b>Working Capital adjustments</b>		
Increase in receivables	(2,523,620)	(700,428)
Increase in deferred income	(500,000)	-
Increase in payables	(577,413)	627,902
<b>Net cash flow from operating activities</b>	<b>(2,230,706)</b>	<b>1,351,371</b>

**17. RECEIVABLE FROM NON-EXCHANGE TRANSACTIONS**

Description	2020-2021	2019-2020
	KShs	KShs
<b>Current receivables</b>		
Capitation grants*	500,000	500,000
<b>Total current receivables</b>	<b>500,000</b>	<b>500,000</b>

**18. FINANCIAL RISK MANAGEMENT**

The entity's activities expose it to a variety of financial risks including credit and liquidity risks. The entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The entity does not hedge any risks.

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

**(i) Credit risk**

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

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

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

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	Total amount Kshs	Fully performing Kshs	Past due Kshs
<b>At 30 June 2020</b>			
Receivables from exchange transactions	1,958,180	-	1,958,180
Bank balances	3,026,976	3,026,976	-
<b>Total</b>	<b>4,985,156</b>	<b>3,026,976</b>	<b>1,958,180</b>
<b>At 30 June 2021</b>			
Receivables from exchange transactions	4,481,800	-	4,481,800
Bank balances	3,077,142	3,077,142	
<b>Total</b>	<b>7,558,942</b>	<b>3,077,142</b>	<b>4,481,800</b>

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 institute potentially irrecoverable amounts.  
The entity has significant concentration of credit risk on amounts due from students

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

(ii) **Liquidity risk management**

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

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

	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
<b>At 30 June 2020</b>				
Fees paid in advance		665,980		1,056,638
Unpresented receipts		390,658		
<b>Total</b>		<b>1,056,638</b>		<b>1,056,638</b>
<b>At 30 June 2021</b>				
Fees paid in advance		414,020		414,020
<b>Total</b>		<b>414,020</b>		<b>414,020</b>

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**19. RELATED PARTY BALANCES**

**Nature of related party relationships**

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

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

	2020/2021	2019/2020
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Grants from the Government</b>		
Grants from National Government	1,500,000	3,569,192
Capitation	5,520,000	795,000
Donations in kind	-	133,584,783
<b>Total</b>	<b>7,020,000</b>	<b>137,948,975</b>
<b>b) Key management compensation</b>		
BOG reimbursement	315,000	512,000
<b>Total</b>	<b>315,000</b>	<b>512,000</b>

**20. EVENTS AFTER THE REPORTING PERIOD**

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

**21. ULTIMATE AND HOLDING ENTITY**

The entity is a State Corporation under the Ministry of education. Its ultimate parent is the Government of Kenya.

**22. CURRENCY**

The financial statements are presented in Kenya Shillings (Kshs).

**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame:
1.1	The cover page is not properly presented as the word accrual is repeated and placed immediately after (IPSAS).	This was amended	Daniel Kiuna (Finance officer)	Resolved	N/A
1.2	The header on all the pages is not properly formatted in conformity with the prescribed financial reporting template.	This was amended	Daniel Kiuna (Finance officer)	Resolved	N/A
1.3	Page numbers have been placed on the extreme left instead of the middle of the page	This was amended	Daniel Kiuna (Finance officer)	Resolved	N/A
1.4	The statement of board of governors responsibilities refers to the College as an entity.	This was amended	Daniel Kiuna (Finance officer)	Resolved	N/A
1.5	The financial statements and notes have been numbered I, II, III, IV and V which is contrary to the presentation prescribed by the financial reporting template.	This was amended	Daniel Kiuna (Finance officer)	Resolved	N/A
1.6	The statement of changes in net assets indicates total amounts at end of period instead of at 30 June 2019	This was amended	Daniel Kiuna (Finance officer)	Resolved	N/A
1.7	The statement of comparison of budget and actual amounts reads statement of comparison of budget Vs actual amounts which is contrary to the financial reporting template.	This was amended	Daniel Kiuna (Finance officer)	Resolved	N/A
1.8	The general information	This was	Daniel	Resolved	N/A

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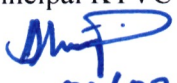
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation )	Status: (Resolved / Not Resolved)	Time frame:
	under the notes to financial statements has made references to several statutes but no indication of the years they relate to.	amended	Kiuna (Finance officer)		
1.9	Appendix: II on Inter- Entity Transfers has not been signed by the Head of Accounting Unit of the Ministry of Education.	This was amended	Daniel Kiuna (Finance officer)	Resolved	N/A
1.10	No comparative column has been provided in the financial statements as required by the financial reporting template although no transactions were previously recorded.	This was amended	Daniel Kiuna (Finance officer)	Resolved	N/A
2.1	Variances Between Statement of Financial Performance and Supporting Schedules	These variances were resolved	Daniel Kiuna (Finance officer)	Resolved	N/A
3	Unsupported Cash and Cash Equivalents	These variances were resolved	Daniel Kiuna (Finance officer)	Resolved	N/A
4.1	Unsupported Donated Equipment	We are following up with the parent ministry to obtain the cost	James Chege (Accounting officer)	Not resolved	30 June 2021
4.2	Doubtful Land Ownership	We are in the process of obtaining the title deed	James Chege (Accounting officer)	Not resolved	30 June 2021
5	Variance Between Statement of Financial Performance and Disbursed Grant	These variances were resolved	Daniel Kiuna (Finance officer)	Resolved	N/A
6	Revenue Budget Analysis - un explained shortfall of Kshs.1,294,883 or 15% of the budget	This was explained and there is no unexplained shortfall in year	Daniel Kiuna (Finance officer)	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame:
		2019/2020			
8.1	Lack of Risk Management Policy	This policy has been developed	James Chege (Accounting officer)	resolved	N/A
8.2	Lack of Internal Audit Function and Audit Committee	The Internal audit function committee of the board was formed as indicated under entity information	James Chege (Accounting officer)	resolved	N/A

James Chege  
Principal KTVC

  
Date... 01/07/2022.....

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**APPENDIX II: INTER-ENTITY TRANSFERS**

<b>Kipipiri TTI</b>				
<b>Break down of Transfers from the State Department of Vocational and Technical Training</b>				
<b>FY 2019/20</b>				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY to which the amounts relate</u>
	MOE -Grants	09/11/2020	500,000	FY 2020/2019
	MOE-Grants	27/04/2021	500,000	FY 2020/2019
	MOE -Grants	30/03/2021	500,000	FY 2020/2019
	MOE -Capitation	03/07/2020	1,057,500	FY 2020/2019
	MOE-Capitation	06/11/2020	1,327,500	FY 2020/2019
	MOE-Capitation	30/03/2021	1,557,500	FY 2020/2019
	MOE-Capitation	30/06/2021	1,125,000	FY 2020/2019
	<b>Total</b>		<b>6,567,500</b>	

The above amounts have been communicated to and reconciled with the parent Ministry

**Finance Officer**

Kipipiri Technical and Vocational College

Date 01/07/2022

**Head of Accounting Unit**

Ministry of Education

Date-----