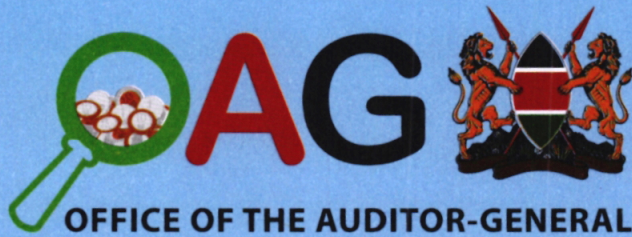
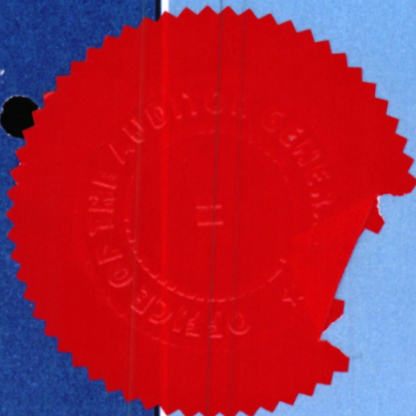


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

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OF KENYA  
LIBRARY

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OF KENYA  
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**OF**

**THE AUDITOR-GENERAL**

**ON**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 JUN 2025	DAY: THUR
TABLED BY:	HON. GEORGE MURUGARA, MP ON BEHALF OF LEADER OF MAJORITY PARTY
CHECKED BY:	YIVIAN WAMBUI

**CHERANG'ANY TECHNICAL AND  
VOCATIONAL COLLEGE**

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



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**CHERANG'ANY TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE 18 MONTHS ENDED**

**30<sup>TH</sup> JUNE 2022**

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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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## 1. Acronyms & Glossary of Terms

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

## 2. Key Entity Information and Management

### (a) Background information

(b) The college was established under the TVET Act Of 2013, is domiciled in Kenya and is under the Ministry of Education. The institution was mentored by Ziwa Technical Training Institute from 2014 to 2019 when it was handed over to first Board of governors. The is located along Kachibora Ziwa road 45 km from Eldoret town. The college has 5 departments and 7 seven courses.

### (c) Principal Activities

The principal mission of the College is Developing skills for economic empowerment

#### **Mission**

To provide competent graduates with relevant quality training, skills and technology meet for the global commerce and industry.

#### **Vision**

To be the leading Institution in the provision of quality technical & Vocational training.

#### **Core Values**

- Integrity
- Teamwork
- Professionalism
- Innovativeness
- Creativity

### (d) Key Management

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

- Board of Governors.
- Accounting officer/ Principal
- Deputy principal
- Registrar
- Dean of students
- Finance officer
- Procurement officer
- Academic heads of departments

**(e) Fiduciary Management**

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

<b>SN.</b>	<b>Designation</b>	<b>Name</b>
1.	Principal	<b>Norbert Wafula</b>
2.	Deputy principal	<b>Mary Mueni</b>
3	Registrar	<b>Patrick Mwaro</b>
4	Dean of students	<b>Jackline Tarus</b>
5	Head of Finance	<b>David Kibos</b>
6	Procurement officer	<b>Cornelius Kapora</b>

## Key Entity Information and Management (Continued)

### (f) **Fiduciary Oversight Arrangements**

Cherangany Technical and Vocational College is overseen by Board Committees which derive its powers and roles from the full board. The committee which were in place during the financial year 2021/2022 are as follows.

#### i) **Finance, Development & Procurement committee:**

- Jonathan Kogo
- Omenda Lawrence
- Martha Wekesa

#### ii) **Risk and Audit committee**

- Anne Wanjiku
- Suguma Methusella
- Sophia Kanneje

#### iii) **Human Resource, Academic & Publicity Committee**

- Joan Tanui
- Martha Wekesa
- Lawrence Omenda

### (g) **Entity Headquarters**

P.O. Box 335-30200  
Kitale,  
KENYA

### (h) **Entity Contacts**

Telephone: (254) 0743536414  
E-mail: [cheranganytvc@gmail.com](mailto:cheranganytvc@gmail.com)  
Website: [www.cheranganytechnical.ac.ke](http://www.cheranganytechnical.ac.ke)

### (i) **Entity Bankers**

Cooperative Bank of Kenya  
Kitale Branch  
Account Number: 01139841437500

### (j) **Independent Auditors**




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




**Key Entity Information and Management (Continued)**




**(k) Principal Legal Adviser**

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





**3.The Board of Governors**



<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 <p>SAMUEL KIMUTAI TANUI BOG CHAIR PERSON</p>	<p>Born on 1<sup>st</sup>/August/1965 in Marakwet, Lelan Location, Kenya.</p> <p>He holds a Masters of Arts (M.A) in History and a Bachelor of Education (History/Geography) from Moi University.</p> <p>He has experience in Geography, Environment, History, Communication Skills, Research and Educational Management.</p> <p>Currently working as a part time Lecturer University of Eldoret.</p>
2.	 <p>JOAN TANUI BOG MEMBER</p>	<p>She was born on 21<sup>st</sup> May 1985</p> <p>Holds Bachelor Degree in Manufacturing Engineering and Technology from Egerton University.</p> <p>Works as Assistant Quality Control Rift Valley Textile(RIVATEX) East Africa Ltd.</p>
3.	 <p>ANNE WANJIKU MWANGI BOG MEMBER</p>	<p>Born 2<sup>nd</sup> February 1976</p> <p>Bachelor of Laws (LLB) Moi University</p> <p>Has experience in Legal Practitioner in Court litigation, Private practice practicing under the names and style of Anne Kibe &amp; Advocates, and Associate with B.N &amp; Co. Advocates based in Kitale.</p>

<p>4.</p>	 <p>ENG. OMENDA LAWRENCE MAKOKHA BOG MEMBER</p>	<p>Born 20<sup>th</sup>/September/1948 BSc Vocational Education (Building and Civil Engineering Option, University of New Brunswick Canada 1983. Has experience in freelance Gamma Systems/AECOM, Building and Civil Engineering, EPCO Builders Ltd, Ministry of Technical Training.</p>
<p>5.</p>	 <p>SOPHIA KANNENJE BOG MEMBER</p>	<p>Born on 11<sup>th</sup>/May/1976 BSc in Business Information Technology from Mount Kenya University. Currently branch Manager Madison Insurance Ltd and APA Insurance Ltd Eldoret, Administrator IT support staff and computer Tutor Jesuit Refugee Services.</p>
<p>6.</p>	 <p>METHUSELLA OGECHÉ SUGUMA BOG MEMBER</p>	<p>Born on 28/12/1958, He holds a Masters degree in supply chain management from Kisii University. Full member of the Chartered Institute of Purchasing and Supply Chain Management (MCIPS). Has experience as part time lecturer purchasing and supply chain management Kisii University.</p>

7.	 <p data-bbox="331 622 802 712">JONATHAN CHERUIYOT KOGO BOG MEMBER</p>	<p data-bbox="858 203 1114 232">Date of Birth: 1984</p> <p data-bbox="858 255 1334 398">Qualification: Bachelor in Business Administration-Finance option from Moi University.</p> <p data-bbox="858 421 1391 622">He is a manager and researcher at SCINNOVENT CENTRE, a Non-Governmental Organisation with a presence in Sub-Sahara Africa</p>
8.	 <p data-bbox="331 1176 778 1265">MARTHA WEKESA COUNTY DIRECTOR OF TVET</p>	<p data-bbox="858 790 1038 819">Born in 1966,</p> <p data-bbox="858 842 1391 1099">Martha Wekesa is the Regional Director of TVET in charge of Trans-nzoia , Bungoma and Busia counties. She represents the Principal Secretary for State Department for TVET.</p>
9.	 <p data-bbox="331 1704 799 1794">NORBERT W. WAFULA B.O.G. SECRETARY/PRINCIPAL</p>	<p data-bbox="858 1395 1031 1424">Born in 1970</p> <p data-bbox="858 1447 1391 1536">Qualification: Master of science (Analytical Chemistry).</p> <p data-bbox="858 1559 1391 1648">Experience as an administrator for over 24 years.</p>

#### 4. Key Management Team

SN.	Member/ Director	Details
1.	 <i>Norbert W. Wafula</i> <i>Masters of Science in Analytical Chemistry</i>	Principal
2.	 <i>Mary Mueni Kivuva</i> <i>BSc Mathematics and Economics</i>	Deputy Principal
3.	 <i>Patrick N. Mwaro</i> <i>BSc Computer Science</i>	Registrar
4.	 <i>Jackline Tarus</i> <i>Higher National Diploma</i>	Dean of students

5.	 <p><i>David Kibos</i> <i>Diploma in Accountancy and CPA</i></p>	Finance Officer
6.	 <p><i>Cornelius Kapora</i> <i>BSc Supply Chain Management</i></p>	Procurement officer
<p><i>(Note: The Principal and the Secretary to the Council/ BoG will feature both under the 'Board' and 'Management').</i></p>		

## 5. Chairman's Statement

In this financial year, I am pleased to present a report on the key activities and strategic initiatives undertaken by Entity this year. Our focus has been on enhancing quality training, improving infrastructure, introducing Competence Based Training Programmes, Procuring Training Equipment and Construction of structures for our trainees.

The main activities that the board ratified for implementation at the inception stage of the institution were;

- a) Establishment of roof catchment facilities for water, In line with Public Health Standards.
- b) Pursue registration/Licencing of the institution with TVETA. This involved payment of some fees/levies to the county government, TVET authority and Kenya association of Technical Training Institutes.
- c) The institution was handed over without training equipment for trainees and offices. This gap had to be addressed by acquisition of very basic equipment's and furniture for a start.
- d) The public service commission only posted five trainers. For effective curriculum delivery, additional three trainers were engaged under the BOG terms.

The newly appointed Board is committed to placing Cherang'any TVC firmly as a preferred destination for students wishing to pursue Technical and Vocational Education.



**MR. SAMUEL TANUI**  
**BOARD CHAIRPERSON CHERANG'ANY TECHNICAL**  
**AND VOCATIONAL COLLEGE.**

## **6. Report of the Principal**

I am pleased to highlight key activities that have helped shaped the Financial Year 2021/2022 and the future of the college.

First, a Board of Governors (BOG) was inaugurated during the second quarter of the Financial Year. The institution was also fully registered by the Technical and Vocational Education and Training Authority (TVETA).

Five trainers including the Principal were also posted to the college. A number of courses were also started, although the initial students who were brought from the mentor institution went back to Ziwa Technical, this posing a setback.

Although the college was registered with TVETA, its capacity was capped at ninety-nine (99) students due to lack of training equipment and basic infrastructure.

Other challenges met include;

### **(i) Limited awareness.**

The community of Cherang'any constituency need to be sensitized on the benefit of Technical education and training, and the benefits of having the college within the area.

### **(ii) Lack of infrastructure and training facilities.**

The college faced an acute shortage of basic facilities including water and furniture as well as basic training equipment. As a result, the institution heavily relied on the mentor institution. There is need to reduce this dependency.

### **(iii) Funding constraints.**

The college closed the F/Y with less than one hundred (100) students. This implies that there are enough funds for development or purchase of essentials for the institution.

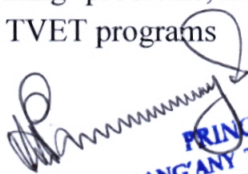
### **(iv) Perceptions and prestige.**

Perceptions about Technical and Vocational Education and Training (TVET) are still poor among potential students as well as the general public.

The location of the college in a rural setup may also in the short term hinder growth, since infrastructure including rental houses and hostels are quite limited.

In order to overcome these teething problems, management commits itself to aggressively market the college, as well as TVET programs

NORBERT W. WAFULA  
PRINCIPAL/BOG SECRETARY

  
PRINCIPAL  
CHERANG'ANY TECHNICAL AND  
VOCATIONAL COLLEGE  
P. O. Box 335-30200, KITALE  
Date: \_\_\_\_\_

## 7. Statement of Performance against Predetermined Objectives

Entity has *four (4)* strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2021- FY 2022. These strategic pillars are as follows:

- a) Quality Education and Training
- b) Industry Partnerships
- c) Innovation and Technology Integration
- d) Access and Equity
- e) Governance and Leadership

Entity develops its annual work plans based on the above *four (4)* pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Entity achieved its performance targets set for the FY 2021/2022 period for its four (*4*) strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
1. Quality Education and Training	To introduce CBET Programme To improve Examination Pass rate To integrate ICT in training	CBET Programme introduced. Examination pass rate improved. ICT integrated into training	Market CBET programmes Conduct examination revision Use ICT in training e.g. projectors and digital content	-Marketing of CBET programmes conducted successfully. -Revision of examination was done with trainees. -Laptop and projectors were used.
2. Innovation and Technology Integration	To participate in TVET fair	Participated in TVET fairs	Active participation in TVET fair organized by KATTI	-The College is in the progress of participating. -Trainees have already prepared TVET fair presentation.
3. Access and Equity	To provide comprehensive academic,	Comprehensive academic	Design comprehensive academic	-Standard fees structure has been developed.

	financial and social support services to all trainees	support provided A standard fee structure for all trainees	support to trainee needs Develop a standard fees structure	
4. Governance and Leadership	To adhere to relevant standards, policies and acts applicable to the institution.	Adherence to the applicable standards, policies and acts applicable to the institution	Developing policies and adhering to the available standards and acts where applicable	-Various policies has been drafted and await board approval.

## 8. Corporate Governance Statement

Entity is governed by a Board of Governors (BOG). The current BOG was appointed by the Cabinet Secretary for Education in 30<sup>th</sup> December 2020, and inaugurated on 12<sup>th</sup> February 2021.

The process of appointment began with the nomination panel meeting held on 15<sup>th</sup> October 2020. Members present included Mr. Michael Rugut –TVET County Director, Mr. Abed K. Mwalwa -Deputy County Commissioner-(Representing the County Commissioner), Mr. Paul K Kimaiyo -representing the MP Cherangany Constituency, Mr. Wekesa L M –the Chief Principal and Board secretary Cherangany TVC and Mr. Moses K. Sabulei-Chief Principal Ziwa TTI (Mentoring institution).

The panel was guided by the Second Schedule of the TVET Act, 2013.

The roles of the Board are stipulated in Section 29 of the Act. Directions are also given from time to time by various agencies, including the Cabinet Secretary, The Principal Secretary for TVET, Salaries and Remunerations Commission (SRC) among others.

Some of the functions as spelled out in the Act include

- Overseeing the conduct of education and training in the institution,
- Promoting and maintaining standards administering and managing the property of the institution
- Preparing annual estimates of revenue and expenditure

- Approving collaboration or association with other institutions and industries in and outside Kenya
- Making regulations governing organization, conduct and discipline of staff and students.

The number of Board meetings is predetermined by Mwongozo, the Code of Conduct for State Corporations. Efforts are made to hold four Full board meetings, one in each financial quarter. During the Financial Year 2021/2022, three Full BOG meetings were held. Another three Special BOG meetings were held, mainly to validate the recruitment of Public Service Commission (PSC) trainers.

During the meetings Conflict of Interests are declared by all members. During the 2021/2022. Financial year, there was no conflict of interest that was ever declared by members.

Attendance records are signed at every meeting. Members also fill the Visitors book.

### **Induction and Training**

The last Board induction was done in May 2022. The exercise was scaled down due to lack of funds to facilitate the exercise.

For the FY 2021/22, Board members were paid KSh 10,000 (ten thousand only) as allowances, while the chairman was paid KSh 12,000 (twelve thousand only). No refund of transport was given as the board resolved.

## **9. Management Discussion and Analysis**

In the Financial Year 2021/2022 the student population were as follows;

<b>FY</b>	<b>Population</b>
<b>2021/2022</b>	66

The growth in student population brought with it new challenge:

- Need for additional furniture (lecture chairs, technical drawing tables)
- Need for additional trainers
- Need for training materials and equipments.
- Unreliable source of water for the growing population.

To a large extent, the challenges are being addressed as the institution grows. However, the start of 2021/2022 was a particularly challenging period, Lack of water for basic use, lack of

training equipment and shortage of financial resources to purchase training materials were the greatest challenge..

The institution obtained a Kenya Revenue Authority (KRA) PIN in 2022, enabling it register with the statutory bodies: National Social Security Fund, (NSSF) as well as the National Hospital Insurance Fund (NHIF). The major risks for this young institution are:

- Overreliance on government funding
- Changing government policies
- Operations of TVET institutions are not well understood by the community members who feel that they need to have a bigger say on the running of the institution, employment opportunities, and tenders
- Competing political interests

In spite of these challenges, the future of the institution is promising

## 10. Environmental And Sustainability Reporting Statement

### 1. Introduction

- **Purpose:** To establish a framework for promoting sustainable practices within the organization.
- **Commitment:** Statement of commitment to environmental stewardship, compliance with laws, and continuous improvement.

### 2. Policy Framework

- **Guiding Principles:**
  - Sustainability
  - Resource efficiency
  - Pollution prevention
  - Biodiversity protection

### 3. Evidence of the Policy

- **Documentation:** Availability of the environmental policy document on the company website and internal platforms.
- **Training Programs:** Regular employee training sessions focused on environmental awareness and policy implementation.
- **Certifications:** Achievements such as ISO 14001 certification or participation in environmental initiatives.

### 4. Successes

- **Reduction in Carbon Footprint:** Quantifiable decrease in greenhouse gas emissions (e.g., 30% reduction over five years).
- **Waste Diversion:** Increased recycling rates, with a goal of diverting 80% of waste from landfills.
- **Sustainable Sourcing:** Transition to 100% sustainable materials in product manufacturing.

### 5. Shortcomings

- **Implementation Gaps:** Inconsistent application of policies across different departments or locations.
- **Data Management:** Challenges in tracking environmental performance metrics effectively.
- **Stakeholder Engagement:** Limited involvement of local communities in decision-making processes related to environmental impact.

## 6. Efforts to Manage Biodiversity

- **Habitat Protection:** Initiatives to protect local ecosystems and biodiversity, such as partnerships with conservation organizations.
- **Biodiversity Assessments:** Regular assessments of projects to evaluate potential impacts on local wildlife and habitats.
- **Restoration Projects:** Active participation in habitat restoration projects.

## 7. Waste Management Policy

- **Waste Reduction Goals:** Set targets for minimizing waste generation across operations.
- **Recycling Initiatives:** Implementation of comprehensive recycling programs, including electronic waste management.
- **Composting:** Adoption of composting practices for organic waste in offices and facilities.

## 8. Efforts to Reduce Environmental Impact of Products

- **Eco-design Principles:** Incorporation of sustainable design principles to reduce material usage and enhance product lifecycle.
- **Lifecycle Analysis:** Conducting lifecycle assessments to identify and mitigate environmental impacts from raw material extraction to disposal.
- **Sustainable Packaging:** Transitioning to biodegradable or recyclable packaging materials to reduce plastic waste.

## 9. Employee welfare

### i. Equal Opportunity Employment

- **Policy Statement:** The organization commits to providing equal employment opportunities regardless of gender, race, ethnicity, age, or disability.
- **Gender Ratio Considerations:** Active measures are in place to promote gender balance in hiring. Recruitment targets may be set to ensure diverse candidate pools.

### ii. Stakeholder Engagement

- **Inclusion of Stakeholders:** Input from internal stakeholders (e.g., HR, department heads) and external stakeholders (e.g., community representatives) is sought during the recruitment process.
- **Frequency of Engagement:** Stakeholder feedback is collected quarterly to assess hiring practices and alignment with organizational values.

### iii. Continuous Improvement of Hiring Policies

- **Regular Reviews:** Hiring policies are reviewed annually, with adjustments made based on feedback from stakeholders, labor market trends, and diversity metrics.
- **Training and Development:** HR staff and hiring managers receive training on unbiased recruitment practices to minimize unconscious bias.

## 10. Skills Improvement and Career Management

### i. Professional Development Programs

- **Training Initiatives:** The organization offers ongoing training programs, workshops, and certifications tailored to enhance employees' skills and competencies.
- **Mentorship Opportunities:** Formal mentorship programs are available to guide employees in their career progression.

### ii. Performance Appraisal System

- **Regular Appraisals:** A structured appraisal process occurs bi-annually to assess employee performance, set goals, and identify areas for development.
- **360-Degree Feedback:** Incorporation of peer feedback and self-assessments to provide a holistic view of employee performance.

### iii. Reward Systems

- **Incentives and Recognition:** A clear reward system recognizes outstanding performance through bonuses, promotions, and non-monetary recognition programs.
- **Career Advancement Pathways:** Clear pathways for career advancement are established, with criteria communicated transparently to all employees.

## 11. Safety and Compliance Policies

### i. Occupational Safety and Health Policy

- **Safety Commitment:** The organization prioritizes employee health and safety in all operations, adhering to the standards set by the Occupational Safety and Health Act of 2007 (OSHA).
- **Safety Training:** Regular safety training programs are conducted for all employees, covering emergency procedures, equipment safety, and hazard recognition.

### ii. Compliance Measures

- **Regular Audits:** Safety audits are conducted quarterly to ensure compliance with OSHA regulations and identify areas for improvement.
- **Incident Reporting:** A clear incident reporting system is in place, allowing employees to report safety concerns or incidents without fear of retaliation.

## 12. Market place practices-

## 1. Ethical Guidelines

- **Code of Conduct:** Establishing a clear code of conduct that outlines expectations for fair competition and respect for competitors.
- **Anti-Collusion Policies:** Training employees on anti-collusion laws to prevent illegal agreements with competitors.

## 2. Transparent Pricing Strategies

- **Fair Pricing:** Commitment to transparent and fair pricing policies that reflect product value and avoid predatory pricing tactics.
- **Avoiding Misleading Claims:** Ensuring that all pricing information is accurate and not misleading to consumers.

## 3. Monitoring and Compliance

- **Regular Audits:** Conducting internal audits to ensure compliance with competition laws and ethical standards.
- **Whistle-blower Policies:** Implementing systems for reporting unethical competitive practices without fear of retaliation.

## 13. Supply Chain Management

### i. Sustainable Sourcing

- **Supplier Standards:** Setting clear sustainability criteria for suppliers, including environmental and labour practices.
- **Partnerships with Responsible Suppliers:** Prioritizing partnerships with suppliers who demonstrate a commitment to sustainability and ethical practices.

### ii. Supply Chain Transparency

- **Traceability Programs:** Implementing systems to trace the origin of materials and components throughout the supply chain.
- **Regular Reporting:** Providing stakeholders with regular updates on supply chain sustainability initiatives and performance metrics.

### iii. Risk Management

- **Supplier Audits:** Conducting regular audits of suppliers to assess compliance with ethical and sustainability standards.
- **Crisis Management Plans:** Developing contingency plans for supply chain disruptions, focusing on sustainability and ethical sourcing.

## 14. Marketing Ethics

### i. Honest Advertising

- **Truth in Advertising:** Committing to accurate and truthful advertising, avoiding exaggerated claims or deceptive practices.
  - **Consumer Education:** Providing clear information about products, including benefits, risks, and proper usage.
- ii. **Responsible Targeting**
- **Ethical Targeting Practices:** Ensuring that marketing strategies do not exploit vulnerable populations or misrepresent product capabilities.
  - **Diversity and Inclusion:** Reflecting diversity in marketing materials to promote inclusivity.
- iii. **Feedback Mechanisms**
- **Consumer Engagement:** Actively seeking consumer feedback to understand perceptions of marketing practices and make necessary adjustments.
  - **Addressing Complaints:** Having a clear process for addressing consumer complaints regarding misleading advertising.
- 15. Product Stewardship**
- i. **Lifecycle Management**
- **Product Lifecycle Assessments:** Conducting assessments to evaluate the environmental impact of products from design to disposal.
  - **Design for Sustainability:** Implementing eco-design principles to reduce resource use and enhance recyclability.
- ii. **Recycling and Recovery Programs**
- **Take-Back Initiatives:** Establishing programs that encourage consumers to return products for recycling or safe disposal.
  - **Partnerships with Recyclers:** Collaborating with recycling companies to ensure responsible disposal and recovery of materials.
- iii. **Consumer Education**
- **Sustainability Messaging:** Providing consumers with information on how to use and dispose of products sustainably.
  - **Engagement Campaigns:** Running campaigns to raise awareness about product stewardship and the importance of sustainability.

### **Corporate Social Responsibility / Community Engagements**

1. Drilling of reliable bore hole for constant supply of water: this has assisted both the trainees and the surrounding community which have inadequate water supply.

2. Planting of trees in the college compound: this has contributed to conservancy of the environment especially greening environment.

## 11. Report of the Board of Governors

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

### Principal activities

The principal activities of the entity are ;

The principal mission of the College is Developing skills for economic empowerment

#### Mission

To provide competent graduates with relevant quality training, skills and technology meet for the global commerce and industry.

#### Vision

To be the leading Institution in the provision of quality technical & Vocational training.

#### Core Values

- Integrity
- Teamwork
- Professionalism
- Innovativeness
- Creativity

### Results

The results of the entity for the year ended June 30 are set out on page 1-9.

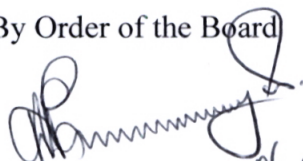
### Board of Governors

The members of the Board to serve during the year are shown on page vii-xi. During the year No director retired/ resigned and there were no appointed done.

### Auditors

The Auditor General is responsible for the statutory audit of the college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the college for the year/period ended June 30, 2022, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



HERBERT W. WAFULA.

Secretary of the Board /Principal.

Kitale

Date: 29.9.2024.

PRINCIPAL  
CHERANGANY TECHNICAL AND  
VOCATIONAL COLLEGE  
• P. O. Box 335-30200, KITALE

Date: .....

## 12. Statement of Board of Governors Responsibilities

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

The board members are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*, (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 *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and TVETA Act 2013. The board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2022, and of the *entity's* financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the *entity's* ability to continue as a going concern and nothing has come to the attention of the board members to indicate that the *entity* 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 *entity's* financial statements were approved by the Board on 27.09.2024 2022 and signed on its behalf by:

Samuel K. Anui

Name ~~SA~~

Chairperson of the Board/Council

29/9/24

ROBERT WWAFLA

Name

Accounting Officer/Principal



# REPUBLIC OF KENYA

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*Enhancing Accountability*

## **REPORT OF THE AUDITOR-GENERAL ON AUDIT OF CHERANG'ANY TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022**

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### **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 Cherang'any Technical and Vocational College set out on pages 1 to 53, which comprise of the statement of financial

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*Report of the Auditor-General on Cherang'any Technical and Vocational College for the year ended 30 June, 2022*

position as at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Cherang'any Technical and Vocational College as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in Receivables from Exchange Transactions**

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.920,116 as disclosed in Note 27(a) to the financial statements. The balance differs with the recomputed amount of Kshs.672,061 resulting in an unexplained variance of Kshs.248,055.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.920,116 could not be confirmed.

#### **2. Unsupported Expenditure on Use of Goods and Services**

The statement of financial performance reflects use of goods and services expenditure amounting to Kshs.2,090,115 as disclosed in Note 15 to the financial statements. The expenditure includes various expenses incurred on line items totalling Kshs.991,305 which were not supported with payment vouchers and expenditure approvals.

In the circumstances, the accuracy and completeness of use of goods and services amount of Kshs.2,090,115 could not be confirmed.

#### **3. Unsupported Board Expenses**

The statement of financial performance reflects Board/Council expenses amounting to Kshs.314,500 as disclosed in Note 17 to the financial statements. However, the expenditure was not supported with Board minutes. Further, the College did not have a Board charter and Board work plan.

In the circumstances, the accuracy and completeness of board expenses amount of Kshs.314,500 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects actual revenue amounting to Kshs.4,389,001 against a budget of Kshs.6,493,720 resulting in unrealized revenue of Kshs.2,104,719 or 32% of the budget. Similarly, the statement reflects expenditure budget of Kshs.6,493,720 and actual expenditure of Kshs.3,380,303 resulting in under-absorption of Kshs.3,113,417 or 48% of the budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery

My opinion is not modified in respect of this matter.

## **Key Audit Matters**

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

## **Other Information**

The Management is responsible for the other information set out on page ii to xxvi which comprise of key entity information and management, board chairperson's report, report of the senior principal, statement of performance against college's predetermined objectives, corporate governance statement, report of the board and statement of management's responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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, I am required to report that fact. I have nothing to report in this regard.

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters 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**

#### **1. Non-Compliance with the TVETA Quality Management and Assurance Requirements**

Review of documents and processes revealed that three (3) trainers in the College during the financial year did not have accreditation by the Technical and Vocational Education Training Authority. This was contrary to Section 23 of TVET Act 2013 which provides that a person intending to become a trainer should apply to the Board for licensing. In the circumstances, Management was in breach of the law.

#### **2. Non-Compliance with the Law on Ethnic Composition**

Review of human resource records revealed that the College had a total of ten (10) members of staff consisting of three (3) trainers and seven (7) non-teaching staff who were from the same ethnic community representing 100% of the total number of employees. This was Contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which provides that all public establishments seek to represent the diversity of the people of Kenya in employment of staff and that no public establishment shall have more than one third of its establishment from the same ethnic community. In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (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 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Internal Audit Function and Audit Committee**

Review of the College processes revealed that the Management had not established an internal audit department to carry out internal audit functions. Further, the College did not have an Audit Committee of the Board.

In the circumstances, the effectiveness of the internal controls and oversight services in the College could not be confirmed.

#### **2. Weak Information Technology Internal Control Environment**

Review of the Information Technology Internal Controls revealed that the College did not have an ICT Policy, had not developed an IT continuity and disaster recovery plan. Further, the College did not have an approved IT strategic committee to perform the oversight function and formulation of policies to ensure that the IT department functions properly.

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

#### **3. Lack of Risk Management Policy and Disaster Recovery Plan**

The College did not develop a Risk Management Policy including fraud prevention mechanisms and a system of risk management and internal control that builds robust business operations. Further, it lacked a disaster recovery plan or a business continuity plan to ensure recovery of its operations in the event of a disaster.

In the circumstances, the preparedness of the College in mitigating against loss in case of disasters could not be confirmed.

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

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

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

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

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

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

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


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the 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**

**28 May, 2025**


**Cherang'any Technical and Vocational College**  
**Annual Report and Financial Statements**  
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**14. Statement of Financial Performance For The 18 Months Ended 30 June 2022**


	Notes	FY 2021/2022
		Kshs
<b>Revenue from Non-Exchange transactions</b>		
Transfers from other National Government entities	6	4,480,000
Grants from donors and development partners	7	-
Transfers from other levels of government	8	-
Public contributions and donations	9	-
		<b>4,480,000</b>
<b>Revenue from Exchange transactions</b>		
Rendering of services- fees from students	10	<b>2,013,720</b>
Sale of goods	11	-
Rental revenue from facilities and equipment	12	-
Finance income	13	-
Miscellaneous income	14	-
		<b>2,013,720</b>
<b>Total Revenue</b>		<b>6,493,720</b>
<b>Expenses</b>		
Use of goods and services	15	2,090,115
Employee costs	16	1,800,753
Board /Council Expenses	17	314,500
Depreciation and amortization expense	18	1,349,581.84
Repairs and maintenance	19	101,910
Contracted services	20	0
Grants and subsidies	21	0
Finance costs	22	23,400
<b>Total Expenses</b>		<b>5,680,259.84</b>
<b>Other Gains/(Losses)</b>		
Gain on sale of assets	23	-
Gain/ Loss on fair value of investments	24	-
Impairment loss	25	(-)
<b>Total Other Gains/(Losses)</b>		<b>-</b>
<b>Net surplus/(deficit) for the year</b>		<b>813,460.16</b>

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SAMUEL K. TANYI  
Chairman of Board

Date 29/09/24

  
DAVID K. KIBOS  
Finance Officer  
ICPAK No

Date 29/09/2024



  
Principal NORBERT WWARIA

CHERANGANY TECHNICAL  
VOCATIONAL COLLEGE  
P. O. Box 335-30200, KITALE

Date 29.9.2024.

15. Statement of Financial Position As At 30th June 2022

Description	Notes	FY 2021/2022
		Kshs
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	26	63,077
Current portion of receivables from exchange transactions	27(a)	920,116
Receivables from non-exchange transactions	28	1,432,104
Inventories	29	-
Investments in financial assets	30	-
<b>Total Current Assets</b>		<b>2,415,297</b>
<b>Non-Current Assets</b>		
Long term receivables from exchange transactions	27(b)	-
Investments	30	-
Property, plant, and equipment	31	60,995,691.61
Intangible assets	32	-
Investment property	33	-
Biological Assets	34	-
<b>Total Non-Current Assets</b>		<b>60,995,691.61</b>
<b>Total Assets</b>		<b>63,410,988.61</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables from exchange transactions	35	252,255
Refundable deposits from customers	36	-
Current provisions	37	-
Finance lease obligation	38	-
Deferred income	39	-
Employee benefit obligation	40	-
Payments received in advance	41	-
Current portion of borrowings	43	-
Social Benefits	45	-
<b>Total Current Liabilities</b>		<b>252,255</b>
<b>Non-Current Liabilities</b>		
Finance lease obligation	38	-
Deferred income	39	-
Non-Current Employee Benefit Obligation	40	-
Non-Current Provisions	42	-

Non- Current Borrowings	43	-
Service Concession Liability	44	-
Social benefits	45	-
<b>Total non- current liabilities</b>		-
<b>Total Liabilities</b>		252,255
<b>Net Assets</b>		63,158,733.61
Revaluation Reserves		0
Accumulated Surplus		813,460.16
Capital Fund		62,345,273.45
<b>Total Net Assets and Liabilities</b>		63,158,733.61

The Financial Statements set out on pages 1 to 9 were signed by:

  
 Samuel K. Farui

Chairman of Board

Date 29/09/24

  
 DAVID K KIBOI

Finance Officer

ICPAK No

Date 29/09/2024



  
 ROBERT W. WAFU

Principal

Date



**Cherang'any Technical and Vocational College**  
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**16. Statement of Changes in Net Asset For The 18 Months Ended 30 June 2022**

Description	Revaluation reserve	Capital Grants/Fund	Development Fund	Accumulated Fund	Total
<b>At JAN 1, 2021</b>		62,345,273.45	0	0	62,345,273.45
Revaluation gain					0
Surplus for the year				813,460.16	813,460.16
Capital grants received during the year					0
Transfer of depreciation/amortisation from capital fund to Retained earnings					0
<b>At June 30, 2022</b>		62,345,273.45	0	813,460.16	63,158,733.616

**Cherang'any Technical and Vocational College**  
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**17. Statement of Cash Flows For for 18 months Ended 30 June 2022**

		2021/2022
	Note	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from other Government entities/Govt. grants		3,047,896
Public contributions and donations		
Rendering of services- Fees from students		1,341,659
Sale of goods		
Rental revenue from facilities and equipment		
Other income, rentals and agency fees		
<b>Total Receipts</b>		<b>4,389,555</b>
<b>Payments</b>		
Compensation of employees		1,800,753
Tuition		926,975
E.W.C		252,316
L.T.T		455,050
ADM		358,964
remuneration of directors		314,500
Repair and maintenance		101,910
Finance cost		23,400
Activity		54,860
Industrial attachment		5,750
KNEC		32,000
Taxation paid		0
Other payments		0
Grants and subsidies paid		0
<b>Total Payments</b>		<b>4,326,478</b>
<b>Net cash flows from operating activities</b>	45	<b>63,077</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant, equipment and intangible assets		
Proceeds from sale of property, plant and Equipment		
Decrease in non-current receivables		
Increase in investments		
<b>Net cash flows used in investing activities</b>		<b>-</b>

<b>Cash flows from financing activities</b>		
Development funds received		
Repayment of borrowings		
Increase in deposits		
<b>Net cash flows used in financing activities</b>		-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>63,077</b>
Cash and cash equivalents at 1 July 2020		0
<b>Cash and cash equivalents at 30 June 2022</b>	28	<b>63,077</b>

**Cherang'any Technical and Vocational College**  
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**18. Statement of Comparison of Budget & Actual amounts For 18 months Ended 30 June 2022**

	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	Performance difference	% of Utilization
	a	b	c=a+b	d	Kshs	e=d/c %
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Transfers from other Gov't entities Gov't grants	4,480,000		4,480,000	3,047,896	1,432,104	68%
Public contributions and donations		-			0	
Rendering of services- Fees from students	2,013,720	-	2,013,720	1,341,105	672,615	67%
Sale of goods		-		-		
Finance Income	-	-	-	-		
Other Income	0	-	0	0	0	0%
Gains on disposal, rental income and agency fees	-	-	-	-		
<b>Total income</b>	<b>6,493,720</b>		<b>6,493,720</b>	<b>4,389,001</b>	<b>2,104,719</b>	<b>68%</b>
<b>Expenses</b>					-	
Compensation of employees	2,160,800	-	2,160,800	1,800,753	360,047	83.34%
Use of Goods and services	2,038,880	-	2,038,880	358,964	1,679,916	17.61%
Finance costs	0	-	0	0	0	0.00%
RMI	126,300	-	126,300	101,910	24,390	80.69%
LTT	460,684		460,684	455,050	5,634	98.78%
Medical	35,640	-	35,640	0	35,640	0.00%
KNEC Examination	270,000	-	270,000	32,000	238,000	11.85%
Student council	13,200	-	13,200	0	13,200	0.00%
Attachment	145,200	-	145,200	9,950	135,250	6.85%
Insurance	19,800	-	19,800	0	19,800	0.00%
Activity	276,488	-	276,488	54,860	221,628	19.84%
EWC	296,728	-	296,728	252,316	44,412	85.03%

Rent paid	0	-	0	0	0	0.00%
Remuneration of directors	650,000		650,000	314,500	335,500	48.38%
Provision for Bad debts	0	-	0	0	0	0.00%
Depreciation and amortization	0	--	0	0	0	0.00%
<b>Total expenditure</b>	<b>6,493,720</b>		<b>6,493,720</b>	<b>3,380,303</b>	<b>3,113,417</b>	<b>52.05%</b>
<b>Surplus/Deficit for the period</b>	-	-	-	0		0

**19. Notes to the Financial Statements**

**1. General Information**

Cherang'any Technical and Vocational College is established by and derives its authority and accountability from - Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is - Training

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**Notes to the Financial Statements (Continued)**

**3. Adoption of New and Revised Standards**

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

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 41:</b> Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <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 that is applicable to all financial instruments subject to impairment testing; and</li> <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>
<b>IPSAS 42:</b> Social Benefits	<p><b>Applicable: 1<sup>st</sup> January 2023</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> <p>(a) The nature of such social benefits provided by the Entity.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p>

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<b>Standard</b>	<b>Effective date and impact:</b>
	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement.</b> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul> <p><i>State the impact of the standard to the Entity if relevant</i></p>

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

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

**iii. Early adoption of standards**

*(The entity) did not early-adopt any new or amended standards in year 2021/2022./the entity adopted standard xx and xx. The impact of these standards on entity's financial statements is xx.(amend appropriately)*

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**b) Budget information**

The original budget for FY 2021/2022 was approved by the Board on 19<sup>th</sup> /07//2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. There were no additional appropriations added to the original budget by the entity. 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 an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis is included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page xx under section - of these financial statements.

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes as per schedule - of the **CAP 470** Act.

***Sales tax/ Value Added Tax***

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant and equipment**

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

**f) Leases**

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

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payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

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

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

*Financial assets*

*Classification*

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

***Financial liabilities***

***Classification***

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

**j) Inventories**

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

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

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

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

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Inventories (Continued)**

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

**k) Provisions**

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

***Contingent liabilities***

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

***Contingent assets***

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

**l) Social Benefits**

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

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**m) Nature and purpose of reserves**

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

**n) Changes in accounting policies and estimates**

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

**o) Employee benefits**

**Retirement benefit plans**

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

**p) Foreign currency transactions**

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

**q) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**r) Related parties**

The *Entity* regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members

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of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**s) Service concession arrangements**

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

**t) Cash and cash equivalents**

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

**u) Comparative figures**

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

**v) Subsequent events**

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

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**Notes to the Financial Statements (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

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

**Useful lives and residual values**

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

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

**Provisions**

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

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

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**Notes to the Financial Statements (Continued)**

**6. Transfers from other National Government entities**

Description	FY 2021/2022 Kshs	FY 2020/2021 Kshs
<b>Unconditional Grants</b>		
Operational grant- MOE student capitation	1,980,000	
Other grants- operational grant	2,500,000	
Unconditional Development grants	-	
Other Grants	-	
<b>Total unconditional Grants</b>	<b>4,480,000</b>	
<b>Conditional Grants amortised/ recognised in revenue</b>		
Library Grant	-	
Hostels Grant	-	
Administration Block Grant	-	
Laboratory Grant	-	
Learning Facilities Grant	-	
Other Organizational Grants	-	
<b>Total Government Grants and Subsidies</b>	<b>4,480,000</b>	

**(a) Transfers from other Government entities (Categorized)**

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	FY 2021/2022
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Technical and vocational college	4,480,000	-	-	4,480,000	4,480,000
<b>Total</b>	<b>4,480,000</b>	<b>-</b>	<b>-</b>	<b>4,480,000</b>	<b>4,480,000</b>

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**Notes to the Financial Statements (Continued)**

**7. Grants from Donors and Development Partners**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
JICA- Research Grant	-	
World Bank Grants	-	
In-Kind Donations	-	
Donations transferred to revenue-conditions met	-	
Other Grants (specify)	-	
<b>Total Grants from Development Partners</b>	-	

**(a) Reconciliations of grants from donors and development partners**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
<b>Balance unspent at beginning of year</b>	-	
Current year receipts	-	
Conditions Met - Transferred to Revenue	-	
<b>Conditions Yet To Be Met - Remain Liabilities</b>	-	

**8. Transfers from Other Levels of Government**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Transfer from County XX	-	
Transfer from XX University	-	
Transfer from XX Institute	-	
<b>Total Transfers</b>	-	

**9. Public Contributions and Donations**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Public Donations	-	
Donations from Local Leadership	-	
Donations from Religious Institutions	-	
Donations from Alumni	-	
Other Donations	-	
<b>Total Donations and Contributions</b>	-	

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**Notes to the Financial Statements (Continued)**

**10. Rendering of Services**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Personal Emolument	360,800	
Tuition	328,780	
Electricity Water Conservancy	196,728	
Local Transport And Travel	134,900	
Repair And Maintenance	126,300	
Activity	181,988	
Insurance	19,800	
Industrial Attachment	145,200	
Student Council	13,200	
Medical	35,640	
Student Id	0	
Administration Fee	200,384	
KNEC Examination	270,000	
<b>Total Revenue from The Rendering of Services</b>	<b>2,013,720</b>	

**11. Sale of Goods**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Sale of Books	-	
Sale of Publications	-	
Sale of Farm Produce	-	
Cafeteria sales	-	
Other sales (specify)	-	
<b>Total Revenue from Sale of Goods</b>	<b>-</b>	

**12. Rental revenue from facilities and equipment**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Hire of Facilities and Equipment	-	
Contingent Rentals	-	
Operating Lease Revenue	-	
<b>Total</b>	<b>-</b>	

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*(Provide brief explanation for this revenue. \*Contingent rentals include hire grounds, institutional facilities like halls, kitchen etc.)*

**Notes to the Financial Statements (Continued)**

**13. Finance Income**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Cash investments and fixed deposits	-	
Interest income from treasury bills	-	
Interest income from treasury bonds	-	
Interest from outstanding debtors	-	
<b>Total finance income</b>	-	

*(Provide brief explanation for this revenue.)*

**14. Miscellaneous Income**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Bad debts recovered	-	-
Income written back	-	-
Miscellaneous income ( <i>specify</i> )	-	-
<b>Total other income</b>	-	-

*(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified.)*

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**Notes To the Financial Statements (Continued)**

**15. Use of Goods and Services**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
INDUSTRIAL ATTACHMENT	9,950	
Tuition	926,975	
INSURANCE	0	
ACTIVITY	54,860	
STUDENT COUNCIL	0	
MEDICAL	0	
KNEC EXAMS	32,000	
REGISTRATION	0	
CAUTION MONEY	0	
STUDENT I.D	0	
SCHOOL, EQUIPMENT AND STORES	0	
PERSONAL EMOLUMENT	0	
ADMINISTRATION	358,964	
ELECTRICITY, WATER & CONSERVANCY	252,316	
REPAIRS, MAINTANANCES & IMPROVEMENT	0	
LOCAL, TRAVELLING & TRANSPORT	455,050	
ADVANCES	0	
<b>Total good and services</b>	<b>2,090,115</b>	

**Notes To the Financial Statements (Continued)**

**16. Employee Costs**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Salaries and wages	1,741,953	
NSSF	44,400	
NHIF	14,400	
Housing benefits and allowances	0	
Overtime payments	0	
Social contributions	0	
<b>Employee Costs</b>	<b>1,800,753</b>	

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**17. Board Expenses**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Chairman's Honoraria	-	
Directors Emoluments	314,500	
Other Allowances	-	
Other Board/Council Expenses	-	
<b>Total</b>	<b>314,500</b>	

**18. Depreciation and Amortization expense**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Property, plant and equipment	1,349,581.84	
Intangible assets	-	
Investment property carried at cost	-	
<b>Total depreciation and amortization</b>	<b>1,349,581.84</b>	

**19. Repairs and Maintenance**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Property	101,910	
Investment property – earning rentals	-	
Equipment and machinery	-	
Vehicles	-	
Furniture and fittings	-	
Computers and accessories	-	
<b>Total Repairs and Maintenance</b>	<b>101,910</b>	

**Notes To the Financial Statements (Continued)**

**20. Contracted Services**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Actuarial valuations	-	
Investment valuations	-	
Property valuations	-	
Other (specify)	-	
<b>Total contracted services</b>	<b>-</b>	

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**21. Grants and Subsidies**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Community Development	-	
Education Initiatives and Programs	-	
Social Development	-	
Social benefits expenses	-	
Community Trust	-	
Sporting Bodies	-	
<b>Total Grants and Subsidies</b>	<b>-</b>	

**22. Finance Costs**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	
Finance Leases (Amortized Cost)	-	
Unwinding of Discount from lease liabilities	-	
Interest on Bank Overdrafts	-	
Interest on Loans from Commercial Banks	-	
Bank charges	23,400	
<b>Total Finance Costs</b>	<b>23,400</b>	

*(\*Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)*

**Notes To the Financial Statements (Continued)**

**23. Gain On Sale of Assets**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Property, Plant and Equipment	-	
Intangible Assets	-	
Other Assets not capitalised	-	
<b>Total Gain On Sale of Assets</b>	<b>-</b>	

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**24. Gain/(loss) on Fair Value Investments**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Fair value on equity investments	-	
Fair value arising from investment property	-	
Fair value arising from biological assets	-	
Fair value- other financial assets (specify)	-	
<b>Total Gain</b>	-	

**25. Impairment Loss**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Property, Plant and Equipment	-	
Intangible Assets	-	
<b>Total Impairment Loss</b>	-	

**26. Cash and Cash Equivalents**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Current Account	63,077	
On call deposit	-	
Fixed Deposits Account	-	
Staff Car Loan/ Mortgage	-	
Others (Specify)	-	
<b>Total Cash and Cash Equivalents</b>	<b>63,077</b>	

**Notes To The Financial Statements (Continued)**

**26 (a). Detailed Analysis of Cash and Cash equivalents**

Financial Institution	Account number	FY 2021/2022	FY 2020/2021
		Kshs	Kshs
<b>a) Current Account</b>			
Cooperative Bank-Kitale	011139841437500	62,523	
		-	
<b>Sub- Total</b>		-	
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		-	

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Equity Bank – etc.		-	
<b>Sub- Total</b>		-	
<b>c) Fixed Deposits Account</b>			
Kenya Commercial Bank		-	
Bank B		-	
<b>Sub- Total</b>		-	
<b>d) Staff Car Loan/ Mortgage</b>			
Kenya Commercial Bank		-	
Bank B		-	
<b>Sub- Total</b>		-	
<b>e) Others(Specify)</b>		-	
Cash in Transit		-	
Cash in Hand		554	
Mobile Money account		-	
<b>Sub- Total</b>		-	
<b>Grand Total</b>		<b>63,077</b>	

**Notes to the Financial Statements (Continued)**

**27. Receivables from Exchange transactions**

**27 (a) Current Receivables from Exchange transactions**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	920,116	
Rent Debtors	-	
Consultancy Debtors	-	
Other Exchange Debtors	-	
Less: Impairment Allowance	(-)	
<b>Total Current Receivables</b>	<b>920,116</b>	

**27 (b) Long- term Receivables from Exchange transactions**

Description	FY 2021/2022	FY 2020/2022
	Kshs	Kshs
<b>Non-Current Receivables</b>		
Refundable Deposits	-	
Advance Payments	-	
Public Organizations	-	

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Less: Impairment Allowance	(-)	
<b>Total</b>	-	
Current Portion Transferred To Current Receivables	(-)	
<b>Total Non-Current Receivables</b>	-	
<b>Total Receivables</b>	-	

**27 (c) Ageing Analysis of Receivables from Exchange transactions**

Description	FY 2021/2022	
	Kshs	
	FY 2021/2022	% of the total
Less than 1 year	920,116	100%
Between 1- 2 years	-	-
Between 2-3 years	-	-
Over 3 years	-	-
<b>Total (a+b)</b>	<b>920,116</b>	<b>100%</b>

**27 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	-
Recovered during the year	(-)	(-)
Write offs during the year	(-)	(-)
At the end of the year	-	-

**28. Receivables from Non-Exchange transactions**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	1,432,104	
Transfers from Other Govt. entities	-	
Undisbursed Donor Funds	-	
Other Debtors (Non-Exchange Transactions)	-	
Less: Impairment Allowance	(-)	
<b>Total Current Receivables</b>	<b>1,432,104</b>	

**28 (a) Ageing Analysis on Receivables from Non-Exchange Transactions**

Description	FY 2021/2022	
	Kshs	
	FY 2021/2022	% of the total
Less than 1 year	1,432,104	100%
Between 1- 2 years	-	-
Between 2-3 years	-	-
Over 3 years	-	-
<b>Total</b>	<b>1,432,104</b>	<b>100%</b>

**28 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
At the beginning of the year	-	
Additional provisions during the year	-	
Recovered during the year	(-)	
Written off during the year	(-)	
At the end of the year	-	

**29. Inventories**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Consumable stores	-	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
Less: Impairment allowance	-	-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>-</b>	<b>-</b>

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**30. Investments in financial assets**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
<b>a) Investment in Treasury Bills and Bonds</b>		
<b>Financial Institution</b>		
	-	-
	-	-
<b>Sub- Total</b>	-	-
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank X	-	-
Bank Y	-	-
<b>Sub- Total</b>	-	-
<b>c) Equity Investments (Specify)</b>		
Equity/ Shares in Company -	-	-
<b>Sub- Total</b>	-	-
<b>Grand Total</b>	-	-

*(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.*

**d) Shareholding in other entities**

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	FY 2021/2022	FY 2020/2021
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

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**31. Property, Plant and Equipment**

The property, plant and Equipment has been depreciated using straight line method. Rates applied are as follows; Building 2.5%,Furniture and fittings 10%,Computers 25% ,Property plant and equipment 12.5%.

	Land	Buildings	Furniture and fittings	Computer s	Reference books	Property , Plant and equipment	Total
Depreciation rate		2.5%	10%	25%	0.25	12.5%	
Cost		Shs	Shs	Shs	Shs	Shs	Shs
As at 1 Jan 2021	10,000,000	52,075,773.45	0	112,000	0	157,500	62,345,273.45
Additions							-
Transfers/adjustments							-
<b>Depreciation and impairment</b>							-
At 1st June 2022	-	-	-	-	-	-	-
Depreciation	-	1,301,894.34	0	28,000	0	19,687.50	1,349,581.84
Impairment							-
<b>At 30th June 2022</b>	-	<b>1,301,894.34</b>	<b>0</b>	<b>28,000</b>	-	<b>19,687.50</b>	<b>1,349,581.84</b>
Net book values	10,000,000	50,773,879.11	0	84,000		137,812.50	60,995,691.61
<b>At 30th June 2022</b>	<b>10,000,000</b>	<b>50,773,879.11</b>	<b>0</b>	<b>84,000</b>	<b>0</b>	<b>137,812.50</b>	<b>60,995,691.61</b>

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**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by - professional valuers on -. These amounts were adopted in the financial statements on -.

**31 (b) Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	10,000,000	-	10,000,000
Buildings	52,075,773.45	1,301,894.34	50,773,879.11
Plant And Machinery	0	0	0
Motor Vehicles including Motorcycles	0	0	0
Computers and Related Equipment	112,000	28,000	84,000
Office Equipment, Furniture, And Fittings	157,500	19,687.50	137,812.50
<b>Total</b>	<b>62,345,273.45</b>	<b>1,349,581.84</b>	<b>60,995,691.61</b>

**32. Intangible Assets**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	-	
Additions	-	
<b>At end of the year</b>	-	
Additions–internal development	-	
<b>At end of the year</b>	-	
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	
Amortization	-	
<b>At end of the year</b>	-	
<b>At end of the year</b>	-	
<b>NBV</b>	-	

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**33. Investment Property**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
<b>At beginning of the year</b>	-	
Additions	-	
Disposal during the year	(-)	
Depreciation	(-)	
Impairment	(-)	
Gain or loss on fair value- if fair value is elected	-	
<b>At end of the year</b>	-	

**34. Biological Assets**

	FY 2021/2022	FY 2021/2022
	Kshs	Kshs
Cattle	-	
Trees	-	
Others (Specify)	-	
<b>Total</b>	-	

**35. Trade and Other Payables**

Description	FY 2021/2022	
	Kshs	
Trade payables	252,255	
Fees paid in advance	-	
Salary deductions	-	
Third-Party Payments	-	
Other Payables	-	
<b>Total Trade and Other Payables</b>	252,255	
	<b>FY 2021/22</b>	<b>% of the Total</b>
<b>Ageing analysis:</b>		
Under one year	252,255	100
1-2 years	-	-
2-3 years	-	-
Over 3 years	-	-
<b>Total (to tie to totals above)</b>	<b>252,255</b>	<b>100</b>



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**38. Finance Lease Obligation**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
<b>At the start of the year</b>	-	
Discount interest on Lease Liability	-	
Paid during the year	(-)	
<b>At end of the year</b>	-	

**Maturity Analysis**

Period	Amount
	Kshs
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and Onwards	-
Less: Unearned Interest	(-)
<b>Total</b>	-

**Analysed as:**

Description	Amount
	Kshs
Current	-
Non- Current	-
<b>Total</b>	-

**39. Deferred Income**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
National Government	-	
International Funding Bodies	-	
Public Contributions and Donations	-	
<b>Total Deferred Income</b>	-	

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**Notes to the Financial Statements (Continued)**

**The deferred income movement is as follows:**

Description	National government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-
Additions during the year	-	-	-	-
Transfers to capital fund	(-)	(-)	(-)	(-)
Transfers to income statement	(-)	(-)	(-)	(-)
Other transfers	(-)	(-)	(-)	(-)
Balance carried forward	-	-	-	-

**Analysed as:**

Description	Amount
	Kshs
Current	-
Non- Current	-
<b>Total</b>	<b>-</b>

**40. Employee Benefit Obligations**

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	FY 2021/2022	FY 2020/2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total Employee Benefits Obligation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Retirement benefit Asset/ Liability**

The entity operates a defined benefit scheme for all full-time employees from July 1, 20xx. The scheme is administered by - while - are the custodians of the scheme. The scheme is based on - percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at - June - by - actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

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Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Discount Rates	x%	
Future Salary Increases	x%	
Future Pension Increases	x%	
Mortality (Pre- Retirement)	x%	
Mortality (Post- Retirement)	x%	
Withdrawals	xx	
Ill Health	xx	
Retirement	xx years	

**Recognition of Retirement Benefit Asset/ Liability**

**a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
The return on defined plan assets	-	
Actuarial gains/ losses arising from changes in demographic assumptions	-	
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	-	
Actuarial gains and losses arising from experience adjustments	-	
Others ( <i>specify</i> )	-	
Adjustments for restrictions on the defined benefit asset	-	
<b>Remeasurement of the net defined benefit liability (asset)</b>	-	

**b) Amounts recognised in the Statement of Financial Position**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	
Fair value of plan assets(b)	(-)	
Funded status(=a-b)	-	
Restrictions on asset recognised	-	
Others	-	
Net asset or liability arising from defined benefit obligation	-	

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

**41. Payments received in advance.**

Description	FY 2021/2022	
	Kshs	
Fees received in advance	-	
Others (Specify)	-	
Total	-	
<b>Ageing analysis:</b>	<b>FY 2021/2022</b>	<b>% of the Total</b>
Under one year	-	%
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
<b>Total</b>	<b>-</b>	<b>%</b>

**42. Non-Current Provisions**

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)	(-)
Change due to discount and time value for money	-	-	-	-	-
Less: Current portion	(-)	(-)	(-)	(-)	(-)
<b>Total deferred income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**43. Borrowings**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Balance at beginning of the year	-	
External borrowings during the year	-	
Domestic borrowings during the year	-	
Repayments of external borrowings during the year	(-)	
Repayments of domestic borrowings during the year	(-)	
Balance at end of the year	-	

**43 a) Analysis of External and Domestic Borrowings**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
<b>External borrowings</b>		
Dollar denominated loan from 'xx organization'	-	
Sterling pound denominated loan from 'yyy organization'	-	
Euro denominated loan from 'zzz organization'	-	
<b>Domestic borrowings</b>		
Kenya shilling loan	-	
<b>Total balance at end of the year</b>	-	

**43 b) Breakdown of Long and Short-Term Borrowings**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Short Term Borrowings(Current Portion)	-	
Long Term Borrowings	-	
<b>Total</b>	-	

**44. Service Concession Arrangements**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	
Accumulated depreciation to date	-	
Net carrying amount	=	
Service concession liability at beginning of the year	-	
Service concession revenue recognized	(-)	
Service concession liability at end of the year	=	

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**45. Social Benefit Liabilities**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
People Living with disabilities benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
<b>Total</b>	-	-
Current social benefits	-	-
Non- current social benefits	-	-
<b>Total (tie to totals above)</b>	-	-

**Notes to the Financial Statements (Continued)**

**46. Cash generated from operations.**

		2021/2022	2020/2021
	Note	ksh	ksh
<b>Surplus/Deficit for the year before tax</b>		813,460.16	
<b>Adjusted for non cash activities</b>			
Depreciation		1,349,281.84	
<b>Adjustment for Working Capital adjustments</b>			
Increase in inventory			
Increase in receivables		(2,352,220)	
Increase in payables		252,555	
Increase in payments received in advance			
<b>Net cash flow from operating activities</b>		<b>63,077</b>	

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**47. Financial Risk Management**

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

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

**(i) Credit risk**

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 20XX (previous year)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 20XX (current year)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

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**Notes to the Financial Statements (Continued)**

**Financial risk management (continued)**

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

The entity has significant concentration of credit risk on amounts due from -x

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

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 20XX (previous year)</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 20XX (current year)</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

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**Notes to the Financial Statements (Continued)  
Financial risk management (continued)**

**(iii) Market risk**

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

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

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

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

**a) Foreign currency risk**

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 20XX</b>			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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**Notes to the Financial Statements (Continued)**

**Financial risk management (continued)**

**Foreign currency sensitivity analysis**

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>20xx</b>			
Euro	10%	-	-
Usd	10%	-	-
<b>20xx</b>			
Euro	10%	-	-
Usd	10%	-	-

**b) Interest rate risk**

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

***Management of interest rate risk***

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

***Sensitivity analysis***

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (20XX: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (20XX – Kshs -)

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**Notes to the Financial Statements (Continued)**  
**Financial risk management (continued)**

**iv) Capital Risk Management**

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

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	(-)	(-)
Net Debt/(Excess Cash and Cash Equivalents)	-	-
<b>Gearing</b>	xx%	xx%

**48. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;
- v) County Government of Trans zoia
- vi)

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**Notes to the Financial Statements (Continued)**

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

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Sales to related parties</b>		
Sales of electricity to govt agencies	-	
Rent income from govt. agencies	-	
Water sales to govt. agencies	-	
Others ( <i>specify</i> )	-	
<b>Total</b>	<b>-</b>	
<b>B) Purchases from related parties</b>		
Purchases of electricity from KPLC	0	
Purchase of water from govt. service providers	-	
Rent expenses paid to govt. agencies	-	
Training and conference fees paid to govt. agencies	-	
Others ( <i>specify</i> )	-	
<b>Total</b>	<b>0</b>	
<b>b) Grants /Transfers from the Government</b>	<b>0</b>	
Grants from National Govt.	3,047,896	
Grants from County Government	-	
Donations in Kind	-	
<b>Total</b>	<b>3,047,896</b>	
<b>c) Expenses incurred on behalf of related parties</b>		
Payments of Salaries and Wages for Employees	0	
Payments for Goods and Services for	-	
<b>Total</b>	<b>0</b>	
<b>d) Key Management Compensation</b>	<b>0</b>	
Directors' emoluments	314,500	
Compensation to Key Management	-	
<b>Total</b>	<b>314,500</b>	

**49. Segment Information**

College operates one main office.

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**Notes to the Financial Statements (Continued)**

**50. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	-	-

**Contingent Liabilities**

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
<b>Contingent Liabilities</b>	-	-
Court Case - against ( <i>The Entity</i> )	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	-	-

(Give details)

**51. Capital Commitments**

Capital Commitments	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
<b>Total</b>	-	-

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**Notes to the Financial Statements (Continued)**

**52. Events After The Reporting Period**

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

**53. Ultimate And Holding Entity**

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

**54. Currency**

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

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**20. Appendices**

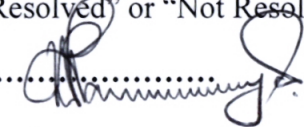
**Appendix 1: Implementation Status of Auditor-General Recommendations**


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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A	N/A	N/A	N/A	N/A

**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 entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

.....  
  
 Name **NORBERT WWAFULA**  
 Accounting Officer  
 (Chief Principal)  
 Date **29.9.2024.**



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**Appendix II: Projects Implemented by (The Entity)**

**Projects**

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

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

**Status of Projects completion**

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2							
3							

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**Appendix III- Inter-Entity Confirmation Letter**

The [ SC/SAGA/Fund name here] wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Cherang'any Technical and Vocational College as at 30 <sup>th</sup> June 2022.							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022				Amount Received by CTTI (Kshs) as at 30 <sup>th</sup> June 2022 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	31/03/2021	500,000	0	0	500,000		
	19/04/2021	500,000	0	0	500,000		
	12/07/2021	500,000	0	0	500,000		
	19/11/2021	500,000	0	0	500,000		
	19/11/2021	500,000	0	0	500,000		
	30/06/2022	273,948	0	0	273,948		
	30/06/2022	273,948	0	0	273,948		
<b>Total</b>		<b>3,047,896</b>	<b>0</b>	<b>0</b>	<b>3,047,896</b>		

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

**Head of Accountants department of beneficiary Entity:**

Name DAVID K KIBOS Sign [Signature] Date 29/08/2022



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**Appendix IV: Reporting of Climate Relevant Expenditures**

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

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**Appendix V: Reporting on Disaster Management Expenditure**

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



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**CHERANG'ANY TECHNICAL AND VOCATIONAL COLLEGE**

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**30<sup>TH</sup> JUNE 2022**

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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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