

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

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**THE AUDITOR-GENERAL**

**ON**

**SEME TECHNICAL AND VOCATIONAL  
COLLEGE**

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

**STATE DEPARTMENT FOR TECHNICAL AND  
VOCATIONAL EDUCATION AND TRAINING**



OFFICE OF THE AUDITOR GENERAL  
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★ 15 MAY 2025 ★

P. O. BOX 1188, KISUMU



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*SEME TECHNICAL AND VOCATIONAL  
COLLEGE*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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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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**2. Acronyms and Definition of Key Terms**

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
VTC	Vocational Training College

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**2. Key Seme TVC Information and Management**

**(a) Background information**

Seme Technical and Vocational College was established under the TVET Act 2013 in September 2019. The Seme TVC is domiciled in Kenya and has no branches at the moment.

The college is under the Ministry of Education, State Department of Vocational and Technical Training (MOE-SDVTT)

The College offers a wide range of courses ranging from Artisan, Certificate and Diploma levels spread across nine academic departments

- Building and Civil Engineering
- Computing and Informatics
- Automotive Engineering
- Business
- Liberal Studies
- Hair Dressing and Beauty Therapy
- Tailoring and Garment Making
- Food and Beverages
- Agriculture

**(b) Principal Activities**

The principal mandate of the College is to provide Technical and Vocational Training

**(c) Key Management**

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

- Board of Governors.
- Principal
- Management...;

**(d) Fiduciary Management**

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

SN.	Designation	Name	Qualification
1.	Principal	Mr Kenneth Odero	B.S. (P.G.D.E)
2.	Deputy principal Academics	Mr Jared Hasea	Master of Business Administration (MBA)
3.	Deputy principal administration	Mrs Celestine Mudiwo	Dip. Fashion Design, Clothing Technology.
4	Registrar	Mr Victor Okeyo	B.S Information Technology
5	Dean of students	Mr Samuel Ayodo	B.S Information Technology
6	Head of Finance	Mr Gordon Olima	B-Com Accounting – CPA -K
7	Head of Procurement	Mr Roy Odhiambo	Bs. In Supply Chain Management

**Key Seme TVC Information and Management (Continued)**

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**(e) Fiduciary Oversight Arrangements**

NAME OF THE COMMITTEE	MEMBERS
Administrative, Finance and Infrastructure Committee	<ol style="list-style-type: none"> <li>1. CPA Paul Aduwo Obuya - Chairman</li> <li>2. Mr. Kenneth Odera - Secretary/Principal</li> <li>3. Mr. Kunal Mehta -Member</li> <li>4. Ms. Issabella Nyomenda Lumumba – Member</li> <li>5. Mr. John Wamae - Member/RDTVET</li> </ol>
Audit And Risk Committee	<ol style="list-style-type: none"> <li>1. Mr. Ronald Kipkurui Bett -Chairman</li> <li>2. Ms. Mercy Ondigo – Internal Auditor</li> <li>3. Ms. Immaculate Ndanu Kioko -Member</li> <li>4. Mr. John Wamae - Member/RDTVET</li> </ol>
Education, Training and Research Committee	<ol style="list-style-type: none"> <li>1. Ms. Grace Namai - Chairperson</li> <li>2. Mr. Kenneth Odera- Secretary/Principal</li> <li>3. Ms. Immaculate Ndanu Kioko- Member</li> <li>4. Mr. John Wamae- Member/RDTVET</li> </ol>

**(f) Seme TVC Headquarters**

P.O. Box 47-40102  
 Seme Technical & Vocational  
 College Building Along Kisumu -  
 Bondo Highway  
 Kombewa- Kisumu Kenya

**(g) Seme TVC Contacts**

Telephone: (254) 734 725 877  
 E-mail: info@semetechnical.ac.ke  
 Website: semetvc.ac.ke

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**(h) Seme TVC Bankers**

Kenya Commercial Bank Ltd  
Kisumu Airport Branch  
P.O BOX 17-40100  
Kisumu -Kenya

**(i) Independent Auditors**

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

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**Key Seme TVC Information and Management (Continued)**



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**(j) Principal Legal Adviser**

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

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3. The Board of Management

BOG'S PASSPORT-SIZE PHOTO AND NAME.	DESCRIPTION OF EACH BOG'S DATE OF BIRTH, KEY QUALIFICATIONS AND WORK EXPERIENCE.
 <p>1.Mr. Jeremiah Oruko  <b>Chairperson of the Board</b></p>	<p><b>Year of Birth: 1956</b></p> <p><b>Key Qualifications:</b></p> <ul style="list-style-type: none"> <li>➤ BED (Vocational) University of Brunswick- Canada</li> </ul> <p><b>Work Experience:</b></p> <p>Ministry of Education, Science and Technology 2001-2016</p> <ul style="list-style-type: none"> <li>• Senior Inspector of Schools</li> <li>• Curriculum Developer KIE</li> <li>• Coordinated Development of TVET authority</li> <li>• Project Officer in charge of Art &amp; Craft GTZ (1998-2001)</li> <li>• BOG Member Kipsenende TTI Kericho County</li> <li>• Lecture Instructor trainer – KTTC (1989-1998 )</li> <li>• HoD Automotive Engineering –RIAT (1983-1985)</li> </ul>
 <p>2.Mr. Kenneth Odera  <b>Principal/Secretary of the Board</b></p>	<p><b>Year of Birth 1968</b></p> <p><b>Key Qualifications:</b></p> <ul style="list-style-type: none"> <li>• BSc, PGDE.</li> </ul> <p><b>Work Experience</b></p> <ul style="list-style-type: none"> <li>➤ <b>March 11<sup>th</sup> 2019 to date:</b> Principal Seme Technical and Vocational College</li> <li>➤ <b>October 1994 – To 6/03/2019 –</b> Lecturer/trainer of Fisheries and Aquaculture at Ramogi Institute of Advanced Technology (RIAT), Kisumu</li> <li>➤ Positions of responsibilities held (RIAT)</li> <li>➤ Acting Principal (<b>27<sup>th</sup> September 2018 to 6<sup>TH</sup> March 2019</b>)</li> <li>➤ Acting Deputy Principal- Administration (<b>1<sup>st</sup> July 2018 to 26<sup>th</sup> September 2018</b>)</li> <li>➤ Performance Contracting Coordinator (<b>July 2010 to July 2018</b>)</li> <li>➤ Head of Agriculture &amp; Fisheries Department (<b>February 1994 to July 2018</b>)</li> </ul>

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**3. Paul Aduwo Obuya**  
Chairperson - Finance, Infrastructure and Resource Mobilization Committee

**Year of Birth 1987**

**Key Qualifications:**

Bachelor of Commerce (Finance Option), Catholic University of Eastern Africa (CUEA), 2017 CPA(K), KCA University, 2012

**Work Experience:**

- Chief Accountant at Owiti, Otieno & Ragot Advocates

**Formerly**

- Audit Manager at Imran Osman & Associates Certified Public accountants
- Senior Accountant, G.S. Patel & Co., CPA(K)



**4. Ronald Kipkurui Bett**  
Chairperson- Audit and Risk Committee

**Year of Birth: 1980**

**Key Qualifications:**

BST. Electronics, University of Eastern Africa, Baraton, 2009

**Work Experience:**

**Currently serving as:**

- Co-founder/Director Operations, Workbench;



**5. Grace Ongayo Namai**  
Chairperson- Education, Training and Research Committee

**Year of Birth: 1953**

**Key Qualifications:**

Bachelor of Education Arts – Kiswahili and English

**Work Experience:**

Senior Principal Butere Girls High School

**Previously served as:**

- Lecture - Eregi Teachers College
- Principal – Moi Girls High School Vokoli
- B.O.G Member, Friends College Kaimosi

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6. Isabella Nyomenda Lumumba  
**BOARD MEMBER**

**Year of Birth:** 1966

**Key Qualifications:**

Masters Of Arts Project Planning and Management UON

**Work Experience:**

- Currently serving as Director – Ufanisi resorts Formerly
- Coordinator Million Trees - Kisii
- Lecturer - Kirinyaga Technical and Community College



7. Immaculate Ndanu Kioko  
**BOARD MEMBER**

**Year of Birth:** 1981 Key

**Qualifications:**

She holds a degree in Bachelor of Science in Information Technology

BSc. (Information Technology), Maseno University, 2014

**Work Experience:**

- Member of Seme TVC Board since 2019.
- Currently serving as the Head of Department of ICT Tom Mboya University.
- Formerly Systems Administrator at KEMRI Kisumu



8. Kunal Mehta  
**BOARD MEMBER**

**Year of Birth:**

**Key Qualifications:**

Master of Engineering- Electrical and electronics ( Imperial College London)

**Work Experience:**

- Manager western Emporium Ltd (2016 to date)
- Branch Manager Credit Bank (2015-2016)
- Relationship Manager – Chase Bank – (2012-2015)
- Software Engineer- Derivative Soft wares6 - London

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Mr. John Wamae  
**BOARD MEMBER,**  
**Regional Director for TVET, Kisumu.**

**Year of Birth: 1969**

**Key Qualification and**




- Msc Applied Statistics
- Bsc Maths and Computer Science
- Post Graduate Diploma in Education

**Work Experience**




- Worked with TSC as a Teacher
- Worked with Ministry as Assurance and Standards Officer for TVET.
- Currently Regional Director for TVET Kisumu.

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4. Key Management Team

PASSPORT-SIZE PHOTO AND NAME	RESPONSIBILITIES
 <p>MR. KENNETH ODERO            (B. S. P.G.D.E)  <b>PRINCIPAL</b></p>	<p>Chief Executive Officer/Accounting officer for the college. In charge of the overall management of the college Responsible for the preparation of the budget estimates Interpreting and implementing policy decisions</p>
 <p>MR. JARED HASEA            Master of Business Administration (MBA)  <b>DEPUTY PRINCIPAL ACADEMICS</b></p>	<p>The Principal assistant to the Principal in the management of the college            In charge of coordinating all aspects of trainings.</p>
 <p>MRS. CELESTINE MUDIWO            (Dip Fashion Design and Clothing Technology)</p>	<p>The Principal assistant to the Principal in the management of the college            In charge of coordinating all aspects of administration</p>

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 <p><b>MR. VICTOR O. OKEYO</b>          (B. S. Information Technology)  <b>REGISTRAR</b></p>	<p>In charge of marketing of college programs and general students admission;          Management of students' records,          Formulation of education plans;          Maintain academic standards and preparation of timetables.</p>
 <p><b>MR. SAMUEL AYODO</b>          (B. S. Information Technology)  <b>DEAN OF STUDENTS</b></p>	<p>In charge of management of students' affairs and welfare,          Maintain students' discipline;          Overseeing students' governance, clubs, societies Sports and recreational activities</p>
 <p><b>CPA. GORDON OLIMA</b>          (B-Com Accounting-CPA-K)          (ICPAK No-25590)  <b>FINANCE OFFICER</b></p>	<p>In charge of preparation of budget estimates, budgetary control and financial reports          Provides financial advice to the management          In charge of non-academic staff</p>

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**MR. ROY ODHIAMBO**  
(Bs in Supply Chain Management)  
**PROCUREMENT OFFICER**

In charge of supplies and procurement management Manages and advices the management on procurement issues

**Seme Technical and Voactional College**  
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**5. Chairman's Statement**

It is a great pleasure for me to make this statement on behalf of the Board of Governors and the entire Seme TVC fraternity.

The Annual Report and Financial Statements for the year ended 30 June 2024 has presented us with an opportunity to reflect on our achievements over the past one year and to plan for the future as an institution. This is the 2<sup>nd</sup> Board that took over the Governance of the College on 8<sup>th</sup> October 2022 following the appointment of its members by the Cabinet Secretary, MOE in 31/08/2022. Since then, the Board has continued to carry out its oversight role and provision of strategic direction to the College in line with the TVET Act 2013, Mwongozo and other Government Guidelines and Policies.

The Board remains focused on its mandate of addressing the Country's TVET agenda of increasing access and equity. As a board, we fully embrace the Government's Vision on TVET as envisioned in the Kenya Vision 2030 and the Big 4 Agenda. To this end, the Board has made the following significant achievements during the Year as part of Governance of the College:

- Increased enrolment from 1180 in June 2023 to 1749 by May 2024
- Expansion of academic programs by introducing Agriculture.
- Continued improvement of college physical infrastructure;
- Construction of the Engineering training Workshop shed
- Ratification and implementation of the College's Key Policies i.e. Strategic Plan, Finance Policy, Academic and Human resource policies.
- Installation and official launching of GOK VDI Jitume program
- Construction of Four Classrooms
- Planting of 11000 Trees and General beautification of the college and its environs
- Participation and active involvement in sports and co curriculum activities such as drama, music and scouting
- Establishment of industrial linkages under the dual training programmes.

In our endeavor to achieve the aforementioned successes, the Board encountered a number of challenges that have considerably decelerated our performance. These include:

- Lack of adequate funds for implementation of key planned activities and projects such as acquisition of vital training and leaning equipment and facilities.
- Lack of secure Accommodation and Catering facilities for students and staff in the college.
- Inadequate training facilities and equipment (Classes, Laboratories, Library, etc.)
- On-going court case over an illegal structure inside the College's compound.
- Shortage of government employed trainers that leads to employment of Bog trainers which leads to high wage bill
- Lack of fund to acquire own Transport leading to high transport cost for student activities Despite all these, the Board is optimistic of ensuring that the college grows as envisioned in its vision and mission statements.

.....  
**CHAIRMAN,**  
**BOARD OF GOVERNORS**

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

The TVET Act, 2013 outlines the mandates and functions all TVET colleges in Kenya.

In realization of the TVET Act 2013, Seme TVC wishes to distinguish itself as a center of excellence in the provision of quality technical training in Kisumu County and beyond. Towards this, the College's management wishes to create timely and sustainal interventions that would ensure successful implementation of all the planned activities while ensuring quality in service delivery

### **Achievements**

Under the able strategic leadership and guidance of the Board, the Management and Staff have accomplished the following:

- Increased enrolment from 1180 in June 2023 to 1749 by May 2024
- Expansion academic programs to introduce Agriculture.
- Acquisition of additional basic training equipment (computers and accessories, student's chairs)
- Improvement of basic physical facilities such as toilets and playing grounds.
- Planting of over 11,000 trees and flowers and general beautification of the college and its environs.
- The college was actively involved in sports and co-curricular activities such as drama and Scouting participating even to the National level.
- Creation of partnerships and cordial relations with the neighboring community (such as in the provision of boarding and catering facilities for students, provision of free clean water to the community as part of corpora social responsibility etc.).
- Commissioning of the GOK VDI Jitume project

### **Challenges**

The FY 2023-2024 had its fair share of challenges some of which include:

- Limited physical Infrastructure and learning facilities such training rooms, training workshops and student accommodation facilities
- Being that accommodation and boarding facilities are all provided by the neighboring community it becomes challenging to ensure security for our students hence cases of insecurity have been witnessed.
- Limited funds due to delayed government funding causing delay in implementation of some of the planned activities and financial obligations.
- Shortage of Government employed trainers that leads to engagement of additional BOG trainers which in turn leads to high wage bill.
- Lack of essential equipment and facilities for administrative use, E.g. Reliable Internet connectivity, High speed printers, Office space, Boardroom. etc.
- Lack of funds to acquire own transport leading to high transport costs for student as well as administrative activities

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Despite the challenges, I am sincerely grateful to the Board of Governors for the dedication and guidance provided during the year and to the staff for their teamwork and cooperation that led to the realization of the College's mandate and to the surrounding communities for their support in the provision of student accommodation and trusting us with their children.

I am equally grateful to the Ministry of Education, State Department of Vocational and Technical Training, HELB and NG-CDF and other development partners for offering financial support to the college during the financial year ended 30 June 2024.



.....  
Mr. Kenneth Odera  
**PRINCIPAL/SECRETARY, BOARD OF GOVERNORS**

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**7. Statement of Performance against Predetermined Objectives**

In July 2023, the College Board identified some key elements of the College Strategy which would need to be addressed as a matter of imperative to provide the foundations for delivery of strategy. It was agreed that the College Board would focus their attention on these key pillars and the delivery of a number of specific impacts.

Seme Technical and Vocational College has strategic themes and objectives within the current Strategic Plan for the FY 2023-2024 FY. These strategic pillars are as follows:

**STRATEGIC THEME/ISSUE:** Quality Training for Sustainable Development

**STRATEGIC OBJECTIVE 1:** To enhance teaching and learning

*Strategies*

1. Launch market driven courses in liaison with the industry
2. Entrench CBET by implementing approved CDACC curricula

**STRATEGIC THEME/ISSUE:** Resource Mobilization and Management

**STRATEGIC OBJECTIVE 2:** To Improve Resource Mobilization and utilization for financial sustainability

*Strategies: Proposal writing, fundraising events, seeking donations, Partnerships, increase trainee enrolment*

**STRATEGIC THEME/ISSUE 3:** Develop and maintain physical and technological infrastructure

**STRATEGIC THEME/ISSUE 4:** Improve corporate governance, partnerships and linkages for effective service delivery

**STRATEGIC THEME/ISSUE 5:** Improve the institutional research and innovation

Seme Technical and Vocational College develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Seme Technical And Vocational College achieved its performance targets set for the FY 2023/2024 period for its 5 strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>STRATEGIC THEME/ISSUE1:</b> Quality Training for Sustainable Development	To enhance teaching and learning	Availability of the CBET programmes	Procure CBET curricula, OS and launch relevant market driven CBET courses	Implemented CBET courses in all departments

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<b>STRATEGIC THEME/ISSUE2:</b> Resource Mobilization	To Improve Resource Mobilization and utilization for financial sustainability	Amounts of Funds Sourced	Develop resource mobilization Strategy  Sourcing funds as per Board Mandate	Work in progress
<b>STRATEGIC THEME/ISSUE 3:</b> Develop and maintain physical and technological infrastructure	Quality of Electricity and Distribution System	Reduced power Interruptions.  Stable reliable and efficient internet.	Upgrade electricity supply and distribution system	Work in progress
<b>STRATEGIC THEME/ISSUE 4:</b> Improve corporate governance, partnerships and linkages for effective service delivery	To Increase partnerships and collaboration with industry	No. of collaborative initiatives formed	Identify and work with key partners in industry and communities to collaborate in the development of skills	signed MoUs with 2 industry players.
<b>STRATEGIC THEME/ISSUES:</b> Research, Innovation and Technology	To improve the institutional research and innovation capacities for alignment with industry	No. of funded proposals  No. of research forums organised/attended.  No. of trainers and trainees who are writing wining research proposals	Develop winning research proposal writing skills among the trainers and trainees	We held a research forum during open day

## 8. Corporate Governance Statement

### Board Meetings

Seme TVC Board wishes to conduct its business in accordance to the TVET ACT, 2013, which requires that the Board meet at least once every three months. In line with this requirement, Seme TVC Board held all the board meetings as stipulated.

The new Board was inaugurated on 8<sup>th</sup> October 2022 and has since continued to perform their Statutory, managerial and oversight Duties throughout the year. There were a total of 4 board meetings and 2 special board meetings during the financial year ended 30 June 2024.

Seme TVC Board had nine (9) members constituted as follows:

- Seven (7) members appointed by the Cabinet Secretary;
- The County director of TVET representing the PS- SDVTT and
- The Principal as the Board Secretary and Chief Accounting Officer

## 9. Composition of the Board

The membership of the Board of Governors comprises:

- (a) A Chairperson;
- A representative of the Principal Secretary in the Ministry of education, State Department of Vocational and Technical Training (MOE-SDVTT)
- (c) A representative of the County Governor of the county hosting the institution
- (d) Six other persons appointed based on their knowledge and experience in—
- Leadership and management;
  - Financial management;
  - Technology
  - Industry;
  - Engineering;
  - Information Communication Technology (ICT).

### Process of Appointment of Board Members

Whereas the TVET Act provides for composition of Board Members, it does not provide for the process and timelines for appointment of members. The process of appointment of Board members, therefore, is as follows:

- (i) Sixty (60) days to the end of the term of office of a member of the College Board, notice is issued by the College Board Secretary to the appointing constituency to appoint its representative.
- (ii) The names of the proposed representative (s) in (i) above are considered for appointment by the Minister within twenty-one (21) days of the expiry of the term of the College Board.

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(iii) The Cabinet secretary Issues notice of appointment through the Kenya Gazette notice of the appointment of the members to the Seme Technical And Vocational College Board and issues letters of appointment to the Principal who in turn issues the letters to the appointed members.

**Remuneration of the Board Members**

Seme Technical And Vocational College Board members other than the Senior Principal do not receive a salary. They are however paid a sitting allowance for every meeting attended. The allowances paid to Board members are disclosed in note 11 of the Financial Statements.

**10. Revocation of Board Membership**

The appointment of a member to a Board of Governors or to its committees may be revoked and the member may vacate office if the member

- Resigns by giving notice in writing to the Cabinet Secretary; the person shall cease to be a member of the Board from the date specified in the notice.
- Becomes insolvent or has conveyed or assigned his property or has made a proposition or arrangement for the benefit of his creditors;
- Is sentenced by a court of law to imprisonment for a term of six months or more;
- Is incapacitated by physical or mental illness;
- Has been absent from three consecutive meetings of the Board of Governors without leave;
- Where the member is a representative, has his appointment revoked by the nominating body
- -Is otherwise unable or unfit to discharge his functions as a member of the Board of Governors on account of any matter in the Act.

**11. The roles of the Board**

The roles of the board members include

- Overseeing the conduct of education and training in the institution in accordance with the provisions of the Act and any other written law;
- Promoting and maintaining standards, quality and relevance in education and training in the institution in accordance with the Act and any other written law;
- Administering and managing the property of the Institution;
- Developing and implementing the institution's strategic plan;
- Reviewing and approving annual budget estimates of revenue and expenditure for the Institution and incurring expenditure on behalf of the institution;
- Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursements to the Institution or other bodies or persons;

- determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET Act mobilizing resources for the institution;

developing and reviewing programs for training and to make representations thereon to the Board; regulating the admission and exclusion of students from the institutions, subject to a qualification's framework and the provisions of this Act; approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board; recruiting and appointing trainers from among qualified professionals and practicing trades' persons in relevant sectors of industry; determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority; making regulations governing organization, conduct and discipline of the staff and students; preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the Board; providing for the welfare of the students and staff of the institution; encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution  
Discharging all other functions conferred upon it by the Act or any other written law.

#### **Remuneration of the Board Members**

- Seme Technical And Vocational College Board members other than the Senior Principal do not receive a salary. They are however paid a sitting allowance for every meeting attended. The allowances paid to Board members are disclosed in note 11 of the Financial Statements.

#### **12. Conflict of Interest**

- If a member of the Board has any Conflict of Interest he/she declares the same in the meeting.
- A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made
- A member of the Board of Governors who contravenes this commits an offence and is liable to a fine or imprisonment.

#### **13. Board Accountability and Financial Reporting**

- The Board of Governors should ensure that Management keeps all proper books and records of accounts of the income, expenditure and assets of the institution and review Quarterly Reports
- within a period of four months from the end of each financial year, a Board of Governors submit to the Auditor- General or to an auditor appointed, the accounts of the institution together with:
- a statement of the income and expenditure of the institution during that year; and

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- a balance sheet of the institution on the last day of that year.
- The Final accounts of the institution are audited and reported upon in accordance with the Public Audit Act, 2003

S.No	Name	No of Meetings	Actual meetings attended	No of meetings missed
1	Mr. Jeremiah Oruko	6	6	0
2	Mr. Paul Aduwo Obuya	6	6	0
3	Mr. Ronald K. Bett	6	6	0
4	Mr. Grace Namai	6	6	0
5	Ms. Immaculate Ndanu Kioko	6	6	0
6	Ms. Issabella Nyomenda Lumumba	6	6	0
7	Mr. Kunal Mehta	6	6	0
8	Mr. Kenneth Odera	6	6	0
9	Mr. John Wamae	6	6	0

A summary of the attendance of the Board meetings is as follows.

**Committee meetings**

There are three standing Committees of the Board, each with its own written terms of reference.

**Audit and Risk Committee**

The Audit and Risk Compliance Committee has four members namely: Mr. Ronald Kipkirui who is the Chair, Ms. Immaculate Ndanu, Mr. Mr. John Wamae and the Internal Auditor. Its Primary responsibilities include reviewing measures put in place to mitigate risks, financial and other reports, defining the scope of audit department, ensuring the independence of the internal Auditor and reviewing their terms of engagement. The Audit Committee normally holds at least four (4) formal meetings in each year.

**Audit and Risk Compliance Committee Attendance, 2023/2024**

MEMBER	ROLE	ATTENDANCE
Mr. Ronald Kipkirui	Chairperson	4/4
Ms. Immaculate Ndanu	Member	4/4
Mr. John Wamae	Member	4/4
Ms. Mercy Ondigo	Internal Auditor	4/4

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**Administrative, Finance and Infrastructure Committee**

The Committee comprises CPA Paul Aduwo Obuya who is the Chairperson, Ms. Issabela Nyomenda Lumumba, Eng. Kunal Mehta, Janet Kwamboka and John Wamae

The Committee is tasked with the responsibility of reviewing finance policies, reports, financial statements, Budgets and making recommendations to the Board. The Committee also reviews strategies and policies in matters relating to recruitment, selection, training, motivation, development, discipline and retention of staff. It also deals with infrastructure development. The committee makes recommendation to the Board. The Committee normally holds at least four (4) formal meetings in each year and as may be necessary.

**Administrative, Finance and Infrastructure Committee**

MEMBER	ROLE	ATTENDANCE
CPA Paul Aduwo Obuya	Chairperson	4/4
Eng. Kunal Mehta	Member	4/4
Mr. John Wamae	Member	4/4
Ms. Issabella Nyomenda Lumumba	Member	4/4
Mr. Kenneth Odera	Secretary/Senior Principal	4/4

**Education, Research, Innovation and Training Committee (ERIT)**

The Committee Comprises of Ms. Grace Namai who is the Chairperson, Ms. Immaculate Ndanu, Mr. John Wamae CD TVET .

The Committee is tasked with the responsibility of Monitoring and overseeing institutional excellence in teaching, training, scholarship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, submitting regular reports to the Board on all matters related to education, training and research and Innovation. The Committee normally holds at least four (4) formal meetings in each year.

**Education, Research, Innovation and Training Committee Attendance (ERIT) Attendance, 2023/2024**

MEMBER	ROLE	ATTENDANCE
Ms. Grace Namai	Chairperson	4/4
Ms. Immaculate Ndanu	Member	4/4
Mr. John Wamae	Member	4/4
Mr. Kenneth Odera	Secretary/Principal	4/4

**Succession Plan**

## **Seme Technical and Voactional College Annual Report and Financial Statements for the year ended 30th June 2024**

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Seme Technical and Vocational College Board has a succession strategy that involve staggering tenure of Board members for continuity as a way of knowledge management and institutional memory retention for continuity purposes of the Board. The newly appointed Board in August, 2022, was inaugurated and is currently in office carrying their mandate as Board of Governors.

### **Board and Member Performance**

Seme Technical and Vocational College Board is committed to performance management and has a feedback mechanism put in place to assess performance of individual Board members. The Board develops and publishes detailed work-plans with clear performance indicators and responsibility for their achievement. It does that taking into consideration the activities in the Plan. The Chairperson of Board and the committees are responsible for coordinating all the activities in the Plan. It is mandatory for all Board members; that it covers the Board as a whole, Committees, individual members, Chairperson and the Secretary who is the Senior Principal of the college.

The College Board also undertakes induction and continuous skills development to upskill the members to implement its work plan. The individual Board members undertake annual individual self-appraisal and the entire board undertakes governance audits. The overall goal of the Framework is to establish an integrated approach to boost performance and ultimately the productivity of the Board of the College.

### **Board Charter**

Whereas the TVET Act No. 29 of 2013 establishes Technical and Vocational Colleges Board, the very Act empowers the Board to be supreme organ of a TVC responsible for the overall administration of the objects of the functions of the TVC.

Seme Technical And Vocational College recognises that the practice of good governance and the execution of the Board's mandate requires the existence of a clear and well documented rules of procedures. Therefore, in this respect, the College as formulated and adopted the Board Charter to provide guidelines for the College Board in the performance of their functions and responsibilities. The charter in particular, provides a framework through which the College Board and her committees can properly conduct their affairs in fulfilment of their mandate. The Charter is cited as "Nyakach Technical and Vocational College Board charter".

Seme Technical And Vocational College Board charter sets out the roles, responsibilities and rules of procedure of the College Board and her committees, specifically, the charter is designed to guide the:

- 1) Making of policies that govern the Board in fulfilling its mandate
- 2) Board in ensuring the effective and integrity of its processes in decision making
- 3) Facilitation of organised, efficient and cohesive functioning of the Board by having clear rules of procedures that guide Board processes.

### **Board Induction and Training Program**

The purpose of this program is to effectively integrate new board members into the organization, ensuring they understand their roles, responsibilities, organizational culture, and strategic priorities.

#### **Objectives**

- Familiarize new members with the organization's mission, vision, and values.
- Educate members about their legal and fiduciary responsibilities.
- Provide an overview of the structure, programs, and key issues facing the organization.
- Foster relationships among board members and with key stakeholders.

### **Induction Process**

#### **1. Welcome Package**

- A personalized welcome letter from the Chairperson.
- Organizational brochure and strategic plan.
- Board member handbook including bylaws, policies, and procedures.
- Contact list of board members and key staff.

#### **2. Orientation Session**

Date and Format Schedule an orientation session (in-person or virtual) within the first month of joining.

##### **-Content:**

- Introduction to the organization and its history.
- Overview of the board's structure and committees.
- Overview of current projects and strategic goals.
- Introduction to key staff and stakeholders.
- Guided tour of facilities (if applicable).

#### **3. One-on-One Meetings**

- Schedule individual meetings between new board members and the Chairperson, Executive Director, and key committee chairs to address questions and discuss expectations.

#### **4. Documentation Review**

- Provide access to historical meeting minutes, financial reports, and strategic plans.
- Discuss governance documents (bylaws, policies) and their implications.

#### **5. Compliance and Legal Responsibilities**

Conduct training on the legal responsibilities of board members, including fiduciary duties, conflict of interest policies, and confidentiality agreements.

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Board and Member Performance

II. Key Performance Areas

1. Strategic Leadership

Criteria:

Clarity of vision and mission

Alignment of board activities with organizational goals

-Metrics:

Frequency of strategic planning sessions

Contribution to the development and approval of the strategic plan

2. Oversight and Governance\*

-Criteria

Compliance with legal and ethical standards

Effectiveness in risk management

- Metrics

- Number of compliance issues reported

- Frequency and outcomes of risk assessments

3. Financial Stewardship

- Criteria:

- Budget oversight and approval

- Financial literacy among board members

- Metrics:

- Accuracy of financial reports

- Percentage of budget variances explained

4. Board Member Engagement

- Criteria

- Participation in meetings and committees

- Contribution to discussions and decision-making

- Metrics

- Attendance rates at board meetings

- Number of committee assignments and participation level

5. Diversity and Inclusiveness

- Criteria:

- Representation of different demographics and perspectives

- Inclusivity in decision-making processes

- Metrics

- Composition of the board

- Surveys assessing perceived inclusiveness

6. Performance Evaluation Processes

- Criteria:

- Regular self-assessments and peer assessments

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- Mechanisms for feedback and improvement
- Metrics:
  - Frequency of performance evaluations conducted
  - Implementation of feedback from evaluations

**Management Discussion and Analysis**

Seme Technical and Vocational College operation and Financial Performance

<b>Quarter 4 Period Ended 30th June 2024</b>	<b>Annual Budget FY2023/2024</b>	<b>Quarter 4 Actual FY2023/2024</b>	<b>Utilisation FY2023/2024</b>
Transfers from other govt entities and govt grants	17,122,500	27,605,044.00	161%
Rendering of services- Fees from students	24,034,800	30,504,577.80	127%
Production Unit - Block Making	342,700	32,000.00	9%
Public Contributions	0	744,000.00	100%
Other Incomes	1,000,000	2,446,161.30	245%
Total revenue expenditure during the period	42,500,000	61,331,783.10	144%

#### **14. Environmental And Sustainability Reporting Statement**

Seme Technical and Vocational college recognizes environmental sustainability as the greatest challenge of the 21<sup>st</sup> century and commits to ensuring that all of its major strategies and operations consider their environmental and ecological aspects and impacts. In this respect Seme Technical and Vocational collegeis:

- a) Partnering with KEFRI in planting trees as greening and beautification TVET priority areas which contributes to environmental sustainability.
- b) Is committed to maintain a healthy environment. Seme Technical and Vocational collegeis carrying its operations with eco-friendly materials.
- c) Our activities include green initiatives in tree planting capacity building programmes; programmes aimed at restoring dignity to the community's environment and conservation measures.
- d) A green environment is what we advocate for and for that reason we support Green initiatives in tree planting as a government agenda. In 2023/2024 we participated in tree planting around the college where we planted more than 1000 tree seedlings.
- e) The college is partnering with a local CBO Integrated Action Oriented Women (INAO W) for purposes of tree planting program within the community.

The College will train farmers on better farming methods that conserve resources and energy in all aspects

##### **i. Sustainability strategy and profile**

16. Seme Technical and Vocational college is aware that environmental sustainability is one of the most important and urgent issues facing society. Large tertiary institutions like ours, with hundreds of trainees, staff and buildings; we have a significant part to play in facing the global challenges of climate change and biodiversity loss. The College takes this duty seriously and is committed in its strategic plan 2022-2027 to taking deliberate measures to reduce environmental degradation in our communities through community empowerment programs. All our competency Based Education and Training curricula are embedded with basic skills on Environmental literacy for trainees

17 Our Environmental Sustainability Strategy identifies three priority areas in which we will take action through a range of programs and services. The Environmental Sustainability team is helping the College reach these goals and increase its positive impact on the world around us.

18. The world is facing increasing environmental threats which are posing severe scientific, social and economic challenges to the human race. These challenges include. the depletion of natural resources, the loss of diversity and the need to develop new forms of energy generation whilst efficiently utilizing existing energy sources. Tackling these environmental problems and establishing a sustainable environment requires

**Seme Technical and Voactional College**  
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the adoption of appropriate policies and managerial strategies. Seme Technical and Vocational college is implementing policies that promote environmental conservation. We are promoting solar energy, energy saving stoves and we empower the community on environmental Sustainability and Green Technology which is designed to provide an interdisciplinary understanding of environmental challenges. We give opportunity to the trainees to acquire knowledge in several sustainability themes in courses related to energy generation, biological science, green information technology and project management.

We help departments to reduce their environmental impact through sustainable procurement, waste management schemes, and the efficient use of energy, water, and waste;

We continue to invest in energy efficiency technologies and we are planning to install solar photovoltaic panels around the College.

- All of our non-hazardous waste is either recycled or used to generate energy.

The College acknowledges the three pillars of sustainability: social, economic and environmental. The College takes on economic and social sustainability in areas such as access and participation. Our Strategy is focused on environmental sustainability, but the social and economic impacts of implementing it will also be taken into consideration.

i. Environmental performance

Seme Technical and Vocational college has a policy on environmental management guiding all our efforts on environmental management. The policy has enabled the institution to carry out environmental audits and take actions such as tree planting to act as wind breakers to the college complex, creation of awareness of the Waste management to reduce environmental pollution and destruction

ii. Employee welfare

Seme Technical and Vocational college has Human Resource Policies and Procedure Manual; a document that provides human resource policies and steps to actualize the human resource policies outlined therein. The Manual governs the relationship of the College with its workers without discrimination; it supports the overall objectives of the institution. It provides advance information and predictable decisions that are repetitive and widely occur throughout the institution.

The college appreciates that human resource is key in the utilization of all other resources and therefore key in the organization of these resources to maximize productivity. It has therefore made it a concern and priority, the need to highly motivate staff so as to remain competitive and relevant. It is against this background that the college strives to pay employees' salaries in time.

Career Guidelines

The College's grading structure, qualifications and other requirements for recruitment in the

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College Service are laid down in the Career Guidelines/HR Manual. The Career Guidelines are followed in processing appointments and promotions of employees in their respective fields of employment.

**TRAINING AND DEVELOPMENT**

All newly appointed employees undergo induction training at the College and visit all the departments of the College during the first week of reporting for familiarization.

The College carries out Training Needs Assessment. All training in the College for staff is based on comprehensive training Need assessment (TNA) conducted annually or as need arises. Aim is to identify performance gaps, determine their causes and recommend the appropriate intervention. To identify the training needs of individual employees that impact on their performance, the immediate supervisor holds regular discussion with the employee. To adequately address the performance gap, training objectives are aligned to the College's strategic plan, objectives, goals and the Performance Appraisal System (PAS). The identified training needs are prioritized and training plans developed and implemented.

**CODE OF CONDUCT**

The College has PSC general rules of conduct observed by staff so as to maintain integrity and uphold the dignity of the public office to which he/she has been appointed. Every staff occupies a special position in the College and are required ensure that their conduct both in public and in private life does not bring the College into disrepute.

The College has regulations governing discipline at the College and the procedure to be followed in cases of breach of discipline are contained in that manual.

**HEALTH AND SAFETY**

The Board of Seme Technical and Vocational college recognizes and commits itself to the achievement of the highest standards of health and safety in the workplace, and the elimination or minimization of health and safety hazards and risks that may affect its employees. In this regard, the Board has developed and implements policies and programmes that ensure their protection from such hazards and disasters. The policies and programmes are implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other Labour Laws and relevant Seme Technical and Vocational college policies.

Seme Technical and Vocational college recognizes that, in addition to offering pay benefits, and a healthy working environment to employees, their emotional and social needs should also be catered for as they discharge their duties.

The College has policy that addresses the various social and health challenges confronting employees in the workplace.

- i. The College has HIV/AIDs Policy that recognizes HIV/AIDS as a Workplace Issue. Non-

**Seme Technical and Voactional College**  
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Discrimination.

- ii. Counselling Services
- iii. Drug and Substance Abuse counselling and Drug use prohibition
- iv. Work environment- Management has ensured maintenance of a smoke-free working environment. Accordingly, no person is permitted to smoke any tobacco or tobacco products while on the College's premises.
- v. Each employee is duty-bound to maintain a clean and healthy working environment
- vi. Medical Attention - On first appointment, an employee is required to undergo a thorough medical examination for purpose of health records. They are then registered for NHIF.

**Pension Scheme**

The College registers all Board employees with the NSSF pension scheme under the custodian of trustees where the Employer and Employee make contributions as per the Retirement Benefits Act, 1997.

iii. Marketplace practices-

The organization should outline its efforts to:

The College management embraces best practices in all the operations and activities of the college. The college has service delivery charter at the entrance to the college and the entrance to the Principal's office. The service charter provides information on services delivery timelines and cost to the public and our staff. The management has also ensured that the staffs deal responsibly, openly and fairly with clients and partners/stakeholders by:

- i. Serving our clients with dignity, courtesy and respect.
- ii. Continuously providing efficient and effective services.
- iii. Adhering to ethical and equitable service provision principles
- iv. Enhancing transparency, integrity and accountability
- v. Observing the principle of natural justice.
- vi. Maintaining appropriate confidentiality
- vii. Discharging our duties professionally and with due diligence and
- Viii Ensuring delivery of affordable, accessible quality education.

The College has put in practice the procurement methods provided by the Public Procurement and Asset Disposal Act 2015, in ensuring that equal opportunity is given to all prospective suppliers, and contracts signed by both the institution and tender winning suppliers.

## **Seme Technical and Voactional College** **Annual Report and Financial Statements for the year ended 30th June 2024**

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The College also has mechanisms such as monitoring whether trainers and trainees attend classes, and receives feedback from trainees on service delivery through teaching feedback evaluation Form administered by HODs to trainees. The purpose is to ensure that trainees get quality service delivery and value for their money.

### **SEME TVC Marketing Strategy**

Seme Technical and Vocational college has adopted various competitive strategies to remain competitive in the market. The aim is to increase trainee recruitment. These strategies are product differentiation, cost leadership, customer focus, use of internet/social media to market our programmes, online application, quality and competent trainees and timely release of results, strategic alliances, product development such as introduction of new CBET courses and market development, and collaboration with other college in certain relevant areas.

However, the college faces various challenges in the market. These are: regulatory requirements for admission in certain courses, maintaining reasonably low fees, competition arising from National Polytechnics and TVCs offering similar courses, high fee default rate among trainees, huge financial requirement to establish and run the college academic programs, increased competition from universities that have TVET Institutions, staff turnover, limitation of courses, lack of enough space, trainees inability to differentiate a College's courses from those offered by other TVCs, change in market needs, regulation by the government, competition from well-established Colleges in the neighborhoods and lack of trainee funding by HELB in some courses.

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

Seme Technical and Vocational college was founded for public benefit, to promote vocational and technical education and to provide a vocational and technical institution open for all, irrespective of social economic status, creed or political belief. It is government institution established to make vocational education available to women, youths, the less fortunate in society and those unable to pursue university education. The College firmly stands on values of giving back to society and seeks to replicate this commitment to the academic enterprise and to wider society through all its operations and activities. The College endeavors to conduct business in accordance with the principles of selflessness, integrity, professionalism, accountability and equity.

SEME Corporate Social Responsibility is centered on three pillars:

- ❖ People and community
- ❖ Environmental sustainability
- ❖ Finance and economic activity

#### **People and Community**

The College is an employer. Seme Technical and Vocational college is committed to being a good

**Seme Technical and Voactional College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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employer, and to contribute positively to the local community, the education sector in Kenya and to global community. As an employer the College is committed to ensuring that all staff members are fully supported in their work, have a decent working environment, and are fairly rewarded. The college also encourages and supports staff to engage in activities which benefit the wider community.

In order to achieve this, the College commits to:

- Embedding quality and diversity into all operations
- Allowing staff time for civic and public duties.
- Ensuring staff can achieve their full potential through training, mentoring, and other staff development activities.

#### Local Community

Seme Technical and Vocational college is a major tenant and employer in the local community with considerable economic impact in neighborhoods. It opens up events and facilities to the public and participates in specific community engagement projects.

In support of the local community, Seme Technical and Vocational college through research and outreach program is to undertake free training to the farmers on the following:

- Training farmers on poultry keeping techniques
- Enhancing farmers' knowledge and skills on how to generate more farm produce from their small-scale farms.

#### Freedom of Expression

As an academic institution, the College encourages debate and discussion freely and democratic ideas where this does not threaten the health and safety of staff, trainees or visitors, and does not infringe upon others rights to freedom of expression and association.

**Seme Technical and Voactional College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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**15. Report of the Board of Management**

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

**Principal activities**

The principal activities of the Seme TVC are and continue to be offering quality vocational and technical training.

**Results**

The results of the Seme TVC for the year ended June 30 2024 are set out on page 1 to 24

**Board of Management**

The members of the Board who served during the year ended, 30th June 2024 are shown on Page Vii to ix,

**Auditors**

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

By Order of the Board



Kenneth Odera  
**Secretary of the Board**

Date: 14/05/2025  
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**Seme Technical and Voactional College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**16. Statement of Board of Management Responsibilities**

Section 164 of the Public Finance Management Act, 2012 and *section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013* require the Board of Management to prepare financial statements in respect of that *Seme TVC*, which give a true and fair view of the state of affairs of the *Seme TVC* at the end of the financial year ended 30<sup>th</sup> June 2024 and the operating results of the *Seme TVC* for that year ended 30<sup>th</sup> June 2024. The Board of Management are also required to ensure that the *Seme TVC* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Seme TVC*. The Board of Management are also responsible for safeguarding the assets of the *Seme TVC*.

The Board of Management are responsible for the preparation and presentation of the *Seme TVC*'s financial statements, which give a true and fair view of the state of affairs of the *Seme TVC* for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Seme TVC*, (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 *Seme TVC*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

In preparing the financial statements, the Principal/Manager has assessed the *Seme TVC*'s ability to continue as a going concern (*disclose as applicable, matters relating to the use of going concern basis of preparation of the financial statements*). Nothing has come to the attention of the Board of Management to indicate that the *Seme TVC* will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The *Seme TVC*'s financial statements were approved by the Board on 14/05 2025 and signed on its behalf by:

.....*Jenivaldo Dinko*.....

Name

Chairperson of the Board

.....*Kenneth O. Odoro*.....

Name

Principal

# REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON SEME TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024 – STATE DEPARTMENT FOR TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

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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 Seme Technical and Vocational College set out on pages 1 to 43, which comprise of the statement of financial position as

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*Report of the Auditor-General on Seme Technical and Vocational College for the year ended 30 June, 2024 – State Department for Technical and Vocational Education and Training*

at 30 June, 2024, and statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 the Seme Technical and Vocational College as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Long-Outstanding Receivables from Non-Exchange Transactions**

The statement of financial position reflects an amount of Kshs.224,600 in respect of receivables from non-exchange transactions and as disclosed in Note 17 to the financial statements. However, the balance includes staff advances to a staff amounting to Kshs.69,500 which has been outstanding for over two (2) years and remains doubtful in its recoverability.

In the circumstances, the accuracy and recoverability of the staff advances amounting to Kshs.69,500 could not be confirmed.

#### **2. Lack of Ownership Documents**

The statement of financial position reflects a balance of Kshs.87,944,144 in respect of property, plant and equipment and as disclosed in Note 19 to the financial statements which includes land valued at an estimated value of Kshs.3,000,000. Review of the title deed number Kisumu/Kanyadwera/890 show that the title is registered and held in trust by the Principal Secretary Treasury for Awach Kadundo Technical and Vocational College. However, Management have not shown any effort to regularize and register the title deed under the renamed College name Seme Technical and Vocational College. Further, and as previously reported, available information revealed that in the month of March, 2021 a citizen went to court claiming ownership of part of the land and the case is still pending determination.

In the circumstances, the ownership and value of the land balance of Kshs.3,000,000 could not be confirmed.

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

## **Emphasis of Matter**

### **Budget Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on a comparable basis of Kshs.42,500,000 and Kshs.61,331,783 respectively resulting to an over-funding of Kshs.18,831,783 or 44.31% of the budget. Similarly, the College spent Kshs.50,537,790 against a final budget of Kshs.42,500,000 resulting to an over-expenditure of Kshs.8,037,790 or 18.91% of the budget.

The over-expenditure may have resulted to the College spending on unapproved budget line items contrary to Section 13(3) and (5) Technical and Vocational Education and Training Act, 2013 which states that the annual estimates shall be submitted to the Cabinet Secretary for approval before the commencement of the financial year to which they relate and no expenditure shall be incurred for the purposes of the Board except in accordance with the annual estimates approved under Section (3) or in pursuance of an authorization of the Board.

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**

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

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Exclusion of Disadvantaged Groups in Annual Procurement Plan**

During the year under review, Management failed to allocate at least thirty percent (30%) of its annual approved procurement budget for the purposes of procuring goods, works and services from enterprises owned by youth, women and persons with disability contrary to Regulation 149 of Public Procurement and Assets Disposal Regulations, 2020 which states that an accounting officer of a procuring entity shall, when processing procurement under section 157(5) of the Act, allocate at least thirty percent (30%) of its annual procurement budget for the purposes of procuring goods, works and services from enterprises owned by youth, women and persons with disability

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

#### **2. Irregular Procurement of Security Services**

The statement of financial performance reflects an amount of Kshs.31,037,367 in respect of use of goods and services and as disclosed in Note 9 to the financial statements, which includes an amount of Kshs.550,000 paid to two (2) firms for supply of security services. However, review of the procurement plan revealed that provision of security services was not included in the approved procurement for the year. Further, the contract agreement between the College and one (1) firm dated 2 August, 2023 did not show the contract sum of the services offered.

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

### **3. Failure to Adhere to Ethnicity and Gender Rule**

Analysis of staff bio data in the year under review revealed that the College had a total of forty-six (46) members of staff who are all from the dominant community in the County. This is contrary to Section B (5) of the PSC HR policies and procedures manual 2016, which provides that; "Recruitment will be undertaken on the basis of fair competition and merit; representation of Kenya's diverse communities; adequate and equal opportunities to all gender, youth, members of all ethnic groups, persons with disabilities and minorities".

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

### **4. Late Remittance of Statutory Deductions**

Review of the statutory deduction's records maintained at the College revealed late remittance of statutory deductions amounting to Kshs.554,212 as follows; NSSF Kshs.379,800, NHIF Kshs.58,700, PAYE Kshs.96,442, Housing Levy Kshs.18,120 and NITA Kshs.1,150 This is contrary to Section 37(1) of the Income Tax Act which states that an employer is required to deduct PAYE from employees' salaries and wages at the prevailing rates and remit the same to KRA on or before the 9th of the following month and Section 18(1) & (2) of the NSSF Act, 2012 indicates that if an employer fails to pay a standard contribution in respect of any person employed by him a penalty equal to five times the amount of that contribution shall be payable by that person for each month or part thereof during which the contribution remains unpaid.

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of the Management and the Board of Governor's**

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

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**


**21 May, 2025**

**18. Statement of Financial Performance for The Year Ended 30 June 2024**

Description	Notes	30th June 2024 Kshs	30th June 2023 Kshs
Revenue from Non-Exchange Transactions			
Transfers from the National Government-grants	5	27,605,044.00	10,041,000.00
Public Contributions and Donations	6	744,000.00	-
<b>Sub Total</b>		<b>28,349,044.00</b>	<b>10,041,000.00</b>
Revenue from Exchange Transactions			
Rendering of Services- Fees from Students	7	30,504,577.80	14,520,558.00
Other Incomes	8	2,478,161.30	500,051.00
<b>Sub Total</b>		<b>32,982,739.10</b>	<b>15,020,609.00</b>
<b>Total Revenue</b>		<b>61,331,783.10</b>	<b>25,061,609.00</b>
Expenses			
Use of Goods and Services	9	31,037,366.50	20,385,116.00
Employee Costs	10	8,245,515.00	6,750,650.00
Board of Governors Remuneration	11	2,160,547.50	1,973,605.00
Depreciation and Amortization expense	12	7,591,756.15	6,361,647.00
Repairs and Maintenance	13	1,361,205.00	872,838.00
General Expenses	14	141,400.00	450,141.00
<b>Total Expenses</b>		<b>50,537,790.15</b>	<b>36,793,997.00</b>
<b>Net Surplus/(Deficit) for the period</b>		<b>10,793,992.95</b>	<b>-11,732,388.00</b>

(The notes set out on pages 22 to 40 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 10 were signed by:

  
 .....  
 Jeremiah Ombao


Chairman of Board

Date 14/5/25

  
 .....  
 Gordon Olimpa

Accountant  
 ICPAK No 25590

Date 14/05/2025

  
 .....  
 Kenneth O. O. Odo

Principal

Date 14/05/2025

19. Statement of Financial Position As At 30th June 2024

Description	Notes	30th June 2024	Audited
		Kshs	Accounts
			Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	15	18,501,196.80	2,311,007.00
Current portion of receivables from exchange transactions	16	15,053,437.50	3,840,276.00
Receivables from Non-Exchange Transactions	17	224,600.00	196,000.00
Inventories	18	340,539.00	397,280.00
<b>Total Current Assets</b>		<b>34,119,773.30</b>	<b>6,744,563.00</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	19	87,944,143.65	92,570,459.00
Intangible Asset - Microsoft Dynamics 365	20	826,000.00	-
<b>Total Non-Current Assets</b>		<b>88,770,143.65</b>	<b>92,570,459.00</b>
		<b>122,889,916.95</b>	<b>99,315,022.00</b>
<b>Total Assets</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payable from Exchange transactions	21	15,399,126.00	307,998.00
Fee Paid in Advance			3,380,607.00
Refundable deposits from customers	22	585,920.00	1,871,618.00
<b>Total Current Liabilities</b>		<b>15,985,046.00</b>	<b>5,560,223.00</b>
		<b>15,985,046.00</b>	<b>5,560,223.00</b>
		<b>106,904,870.95</b>	<b>93,754,799.00</b>
<b>Total Net Assets</b>			
<b>Reserves</b>			
Accumulated Surplus		32,112,135.10	11,370,307.00
Capital Fund		74,792,735.85	82,384,492.00
<b>Total Reserves</b>		<b>106,904,870.95</b>	<b>93,754,799.00</b>
		<b>122,889,916.95</b>	<b>99,315,022.00</b>
<b>Total Net Assets and Liabilities</b>			

The Financial Statements set out on pages 1 to 10 were signed by:

.....  
 Name  
 Chairman of Board

.....  
 Name Gordon Olmg  
 Accountant  
 ICPAK No 25590

.....  
 Name Kenneth B. Odera  
 Principal/Manager

Date 14/5/2025

Date 14/05/2025

Date 14/05/2025

Seme Technical and Voactional College  
Annual Report and Financial Statements for the year ended 30th June 2024

20. Statement of Changes in Net Assets for The Year Ended 30 June 2024

Description	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2022 (previous year)	18,569,283	86,621,880	105,191,163
Revaluation gain			
Surplus/(deficit) for the year	(11,732,388)	-	( 11,732,388)
Prior Year Adjustments	296,024		296,024
Capital grants received during the year	-	-	-
Transfer of depreciation/amortisation from capital fund to	4,237,388	4,237,388	-
Retained earnings			-
<b>At June 30, 2023</b>	<b>11,370,307</b>	<b>82,384,492</b>	<b>93,754,799</b>
At July 1, 2023	11,370,307	82,384,492	93,754,799
Revaluation gain			-
Surplus/(deficit) for the year	10,793,993		10,793,993
Prior Year Adjustments	2,356,079		2,356,079
Capital grants received during the year			-
Transfer of depreciation/amortisation from capital fund to	7,591,756	(7,591,756)	-
Retained earnings			-
<b>At June 30, 2024</b>	<b>32,112,135</b>	<b>74,792,736</b>	<b>106,904,871</b>

*The prior year adjustment arose from inaccurately reporting the bank balance in the financial statement for the year ending 2023. The actual bank balance was Kshs 4,627,346.65, but it was erroneously stated as Kshs 2,311,007, resulting in a variance of Kshs 2,316,340.*

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

Description	Codes	30th June 2024	Audited
		Kshs	Accounts Kshs
<b>Cashflows from Operating Activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. Grants		27,605,044.00	10,041,000.00
Rendering of Services- Fees from Students		30,504,577.80	11,262,755.00
Other Incomes		1,291,198.00	3,757,854.00
Refundable Deposits		-	122,865.00
Donations from 3rd parties - PMC Project		744,000.00	1,670,943.00
Production Unit Income		32,000.00	
Decrease in Doubtful Debts		1,154,963.30	
<b>Total Receipts</b>		<b>61,331,783.10</b>	<b>26,855,417.00</b>
<b>Payments</b>			
Use of Goods and Services		30,189,224.00	16,279,936.00
Employee Cost		8,245,515.00	10,855,830.00
BOG Expenses		2,160,547.50	1,973,605.00
Other Payments		141,400.00	450,141.00
Repairs and Maintenance		1,361,205.00	872,838.00
Student ID Cards expenses		-	170,700.00
Student Council Expenses			629,904.00
<b>Total Payments</b>		<b>42,097,891.50</b>	<b>31,232,954.00</b>
<b>Net Cashflows Generated from/(Used in) Operating Activities</b>	<b>23</b>	<b>19,233,891.60</b>	<b>- 4,377,537.00</b>
<b>Cashflows from Investing Activities</b>			
Purchase of Property and Equipment		349,999.80	7,010,081.00

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Purchase of Furniture and Fittings		- 1,980,940.00	144,000
Purchase of ERP System		- 432,262.00	
Motor Vehicle		- 280,500.00	
Payments of Accrued Property and Equipment bills		-	534,990.
<b>Net Cashflows used in investing Activities</b>		<b>- 3,043,701.80</b>	<b>- 7,689,071.</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>		<b>16,190,189.80</b>	<b>- 12,066,608.</b>
<b>Cash and cash equivalents as at July 1, 2023</b>		<b>2,311,007.00</b>	<b>14,377,615.</b>
<b>Cash and cash equivalents as at 30th June 2024</b>		<b>18,501,196.80</b>	<b>2,311,007.0</b>

Seme Technical and Voactional College  
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22. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	17,122,500		17,122,500	27,605,044	10,482,544.00	61%
Rendering of services- fees from students	24,034,800		24,034,800	30,504,577.80	6,469,777.80	27%
Production Unit	342,700		342,700	32,000	-310,700.00	-91%
Other Income	1,000,000		1,000,000	3,190,161.30	2,190,161.30	219%
<b>Total Income</b>	<b>42,500,000.00</b>	<b>0.00</b>	<b>42,500,000.00</b>	<b>61,331,783.10</b>	<b>18,831,783.10</b>	<b>2.16</b>
Expenses						
School, Equipment and stores	9,374,630.00	0	9,374,630.00	13,528,932.00	-4,154,302.00	-44%
Personal Emoluments	10,083,740.00	0	10,083,740.00	11,782,062.50	-1,698,322.50	-17%
Local Transport and Travelling	2,559,705.00	0	2,559,705.00	2,222,680.00	337,025.00	13%
Electricity, water and Internet	2,149,768.00	0	2,149,768.00	880,064.00	1,269,704.00	59%
Repair maintenance and Improvements	1,282,140.00	0	1,282,140.00	1,361,205.00	-79,065.00	-6%
Administrative cost ((contingencies)	10,666,192.00	0	10,666,192.00	15,541,217.65	-4,875,025.65	-46%
Industrial Attachment	1,732,000.00	0	1,732,000.00	980,439.00	751,561.00	43%
Activity	2,420,625.00	0	2,420,625.00	3,361,660.00	-941,035.00	-39%
Students Organization	1,394,500.00	0	1,394,500.00	861,930.00	532,570.00	38%
Medical	836,700.00	0	836,700.00	17,600	819,100.00	98%
<b>Total Expenditure</b>	<b>42,500,000.00</b>	<b>0.00</b>	<b>42,500,000.00</b>	<b>50,537,790.15</b>	<b>-8,037,790.15</b>	<b>1.00</b>
Surplus For the Period	-	-	-	10,793,992.95	10,793,992.95	1.17
Capital Expenditure	-	-	-	2,611,439.80		-

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1. *Transfers from National Govt were budgeted at Kshs. 17M, yet by the end of the period the College had realized over Kshs. 23M due to the introduction of the new funding model increasing the funding from the Govt as per different categories of trainees needs. The portion of Govt scholarship received so far is Kshs. 9.5M*
2. *Other incomes actual amount includes Kshs. 1,154,963.30 which was the value of over-provision of Bad/Doubtful debts. The Institution did not sell much Blocks during the period leading to less income realized.*
3. *The Institute has incurred expenses beyond the budget in expenditures that were considered very vital to the Institute and spent less on various categories on priority basis*

**23. Notes to the Financial Statements**

**1. General Information**

Seme Technical and Vocational College entity is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide Training in Technical, Vocational and Business courses to graduates of secondary and primary schools to enable them acquire relevant technical skills for the job market.

**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 judgment in the process of applying the *Seme Technical and Vocational College* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Seme Technical and Vocational College*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

#### **i. Early adoption of standards**

Seme technical and vocational college did not early adopt any new or amended standards in year 2024.

### **24. 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 have 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.

##### **iii. 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.

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

**b) Budget information**

The original budget for FY 2023/2024 was approved by the Council or Board on 17/07/2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 6 under section 1 of these financial statements.

**c) Taxes**

**Current income tax**

The College pays income taxes in accordance with Kra Regulation.

**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.

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**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 period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.* 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.

The college Depreciate its fixed assets on straight line basis using the following rates over useful lives computed on balances at the end of each quarter

Asset Category	Depreciation Rate
1. Building and workshop	2.5%
2. Property, Plant and Equipment	12.5%
3. Furniture and Fittings	12.5%
4. Motor Vehicles	25%
5. Computer and Electronic Equipment	30%
6. Software	30%

**f) Leases**

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

**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. 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.

**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 an 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**

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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.

**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 19b*.

**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.

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- 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.

**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*.

**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.

### **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 benefits 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.

#### **k) 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*).

#### **l) 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.

#### **m) 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.

#### **n) 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.

#### **o) 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.

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**p) Related parties**

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

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**q) 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.

**r) Cash and cash equivalents**

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

**s) Comparative figures**

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

**t) 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 30,2024.

#### **4 Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the *Seme technical and vocational college* 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 16.

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

5 Transfers from other National Government entities

Description	30th June 2024	30th June 2023
	Kshs	Kshs
<b>Unconditional Grant</b>		
Capitation Grants	18,070,925.00	10,041,000.00
Govt Scholarship - New Funding Model	9,534,119.00	-
<b>Total Government Grants and Subsidies</b>	<b>27,605,044.00</b>	<b>10,041,000.00</b>

(a) Transfers from Government (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs
State Department of Technical and vocational Training	27,605,044.00	10,041,000.00
<b>Total</b>	<b>27,605,044.00</b>	<b>10,041,000.00</b>

6. Public Contributions and Donations

Description	30th June 2024	30th June 2023
	Kshs	Kshs
Donations – NG-CDF (Sentry Box Construction)	744,000.00	0
<b>Total Donations and Contributions</b>	<b>744,000.00</b>	<b>0</b>

7. Rendering of Services

Description	30th June 2024	30th June 2023
	Kshs	Kshs
Tuition	8,520,960.79	3,215,695.00
Computer Fee	1,731,902.60	581,538.00
Personnel Emoluments	5,126,431.70	1,885,554.00
Repairs and maintenance	1,160,374.74	397,309.00
Local Transport and Travelling	2,753,725.13	921,621.00
Electricity, Water & Conservancy	2,032,099.05	644,275.00
Activity	2,366,933.55	727,096.00
Medical	1,039,141.56	303,619.00
Insurance	722,542.87	88,254.00
Industrial Attachment	2,163,961.47	565,818.00
Examination Fee	2,309,203.47	1,812,876.00
Registration Fee	577,300.87	119,100.00
<b>Total Revenue from The Rendering of Services</b>	<b>30,504,577.80</b>	<b>11,262,755.00</b>

8. Other Income

Description	30th June 2024	30th June 2023
	Kshs	Kshs
Student Upkeep Incomes	-	126,000.00
Other Incomes	1,291,198.00	2,460.00
Production Unit - Block Making	32,000.00	371,591.00
Decrease in doubtful Debts	1,154,963.30	3,257,803.00
<b>Total Other Incomes</b>	<b>2,478,161.30</b>	<b>3,757,854.00</b>

The total of Student ID Cards and Student Council Funds amounting to Ksh. 1,285,698.00 which had earlier been maintained in the books as liabilities were realised to have been erroneously captured and therefore were reclassified to Other Incomes during the period.

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**9. Use of Goods and Services**

Description	30th June 2024	30th June 2023
	Kshs	Kshs
Administrative Expenses	2,457,770.00	856,000.00
Bank Charges	11,682.50	13,795.00
Cleaning Material Expenses	27,200.00	-
Clubs and Societies	355,885.00	345,375.00
Career Service Activities	39,000.00	
Corporate Social Responsibility	41,180.00	-
Electricity Bill Expense	854,004.00	990,234.00
Examination Expense	9,032,021.00	5,560,893.00
Industrial Attachment Expenses	941,439.00	896,185.00
Internet Bill Expenses	26,060.00	67,988.00
Jitume - VDI Expenses	581,770.00	-
Marketing and Advertisement Expense	1,116,900.00	524,720.00
Medical Related Expenses	17,600.00	10,825.00
Performance Contract expenses	512,400.00	-
Postages		16,275.00
Printing and Stationeries	943,310.00	756,230.00
Professional and consultancy services	356,550.00	250,000.00
Research and Innovation expense	1,335,910.00	1,100,234.00
Security Services	550,000.00	432,000.00
Social Contributions	284,100.00	142,800.00
Sporting & Games Activity	3,005,775.00	1,975,240.00
Staff Tea and Meals	658,755.00	550,624.00
Staff Training Fees	2,023,800.00	641,628.00
Strategic Collaboration Activities	18,200.00	-

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Student Union Expenses	861,930.00	-
Local travel and meal Expenses	466,330.00	
Travel and Daily Subsistence Allowance	1,756,350.00	
PSC Staff Recruitment expenses	1,376,000.00	
Teaching and Learning Materials	749,151.00	549,290.00
Telephone Expenses	187,000.00	178,000.00
Training and Conference Fees	449,294.00	421,600.00
<b>Total Goods and services</b>	<b>31,037,366.50</b>	<b>16,279,936.00</b>

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**10. Employee Costs**

Description	30th June 2024	30th June 2023
	Kshs	Kshs
BOG Staff Salaries and Wages	7,893,510.00	6,383,270.00
Employer NSSF Contribution	352,005.00	367,380.00
		68,385.00
		4,036,795.00
		-
<b>Total Employee costs</b>	<b>8,245,515.00</b>	<b>10,855,830.00</b>

**11. Board Expenses**

Description	30th June 2024	30th June 2023
	Kshs	Kshs
Other BOG Expense	283,490.00	347,887.00
BOG Members' Emoluments	1,877,057.50	1,625,718.00
<b>Total Directors' emoluments</b>	<b>2,160,547.50</b>	<b>1,973,605.00</b>

**12. Depreciation and Amortization expense**

Description	30th June 2024	30th June 2023
	Kshs	Kshs
Buildings and workshops	1,988,208.75	1,972,183.00
Furniture And Fittings	954,358.25	653,117.00
Computers	1,912,332.30	1,442,946.00
Erp Dynamic 365 System	354,000.00	-
Plant and Equipment	2,382,856.85	2,293,401.00
<b>Total depreciation and amortization</b>	<b>7,591,756.15</b>	<b>6,361,647.00</b>

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**13.Repairs and Maintenance**

Description	30th Jun 2024	30th June 2023
	Kshs	Kshs
Buildings and workshops	719,585.00	473,020.00
Computers	18,800.00	
Plant and Equipment	533,920.00	399,818.00
Electricity Repairs & Maintenance Exp	12,500.00	
General Repair & Maintenance Expense	76,400.00	
<b>Total Repairs and Maintenance</b>	<b>1,361,205.00</b>	<b>872,838.00</b>

**14.General Expense**

Description	30th Jun 2024	30th June 2023
	Kshs	Kshs
PU Expense - Block Making	141,400.00	450,141.00
	<b>141,400.00</b>	<b>450,141.00</b>

**15 Cash and Cash Equivalents**

Description	30th Jun 2024	Audited Accounts
	Kshs	Kshs
Cash At Bank - KCB	18,484,830.65	2,403,125.00
M-Pesa Account	-	92,606.00
Petty Cash account	16,366.15	488.00
<b>Total cash and cash equivalents</b>	<b>18,501,196.80</b>	<b>2,311,007.00</b>

(a) Detailed Analysis of Cash and Cash Equivalents

Description		30th June 2024	Audited Accounts
Financial institution	Account number	Kshs	Kshs
<b>a) Current account</b>			
Kenya Commercial Bank	1262078237	18,484,830.65	2,403,125.00
<b>Sub- total</b>		<b>18,484,830.65</b>	<b>2,403,125.00</b>
<b>b) Others</b>			
Mobile Money Account		-	92,606.00
cash in hand		16,366.15	488.00
<b>Grand total</b>		<b>18,501,196.80</b>	<b>2,311,007.00</b>

16.

(a) Current Receivables from Exchange transactions

Description	30th June 2024	30th June 2023
	Kshs	Kshs
<b>Current Receivables</b>		
Student debtors	13,898,474.00	16,750,997.00
<b>Add:</b>		
Provision for Bad/Doubtful Debts	1,154,963.50	- 2,852,523.00
<b>Total current receivables</b>	<b>15,053,437.50</b>	<b>13,898,474.00</b>

(b) Ageing Analysis of Receivables from Exchange transactions

Description	30th June 2024		30th June 2023	
	Kshs		Kshs	
	2023/2024	% of total	2022/2023	% of total
Less than 1 year	8,906,578.00	59%	7,896,056.00	57%
Between 1- 2 years	4,456,780.00	30%	4,356,780.00	31%
Between 2-3 years	1,234,567.00	8%	987,605.00	7%
Over 3 years	455,512.50	3%	658,033.00	5%
<b>Total (a+b)</b>	<b>15,053,437.50</b>	<b>100%</b>	<b>13,898,474.00</b>	<b>100%</b>

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**17 Receivables from Non-Exchange transactions**

Description	30th June 2024	30th June 2023
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*		
Staff Salary Advances	224,600.00	96,000.00
PMC WIP Advances	-	100,000.00
Other Debtors (Non-Exchange Transactions)		
Less: Impairment Allowance		
<b>Total Current Receivables</b>	<b>224,600.00</b>	<b>196,000.00</b>

**(a) Staff Salary Advances**

Description	30th June 2024	30th June 2023
	Kshs	Kshs
Geoffrey Omondi Sal. Advance	69,500.00	80,000.00
Elvis Odhiambo	51,000.00	-
Olga Jaimbo	84,000.00	-
BOG Staff Salary Advance	20,100.00	16,000.00
<b>Total current receivables</b>	<b>224,600.00</b>	<b>96,000.00</b>

(b) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	30th June 2024		30th June 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparat ive FY	% of the total
Less than 1 year	155,100.00	69%	16,000.00	17%
Between 1- 2 years	69,500.00	31%	80,000.00	83%
Between 2-3 years				
Over 3 years				
<b>Total</b>	<b>224,600.00</b>	<b>100%</b>	<b>96,000.00</b>	<b>100%</b>

PMC WIP Advances

Description	30th June 2024	Audited Accounts
	Kshs	Kshs
PMC Advances receivables	-	100,000.00
<b>Total current receivables</b>	<b>-</b>	<b>100,000.00</b>

18. Inventories

Description	30th June 2024	30th June 2023
	Kshs	Kshs
Electrical Engineering Stores	115,365.00	137,160.00
Building and Civil Engineering Stores	99,130.00	82,040.00
Garment Making Stores	1,700.00	12,340.00
Hairdressing and Beauty Therapy Stores	18,320.00	45,680.00
Stationeries and General Stores	72,024.00	120,060.00
ICT Department Stores	34,000.00	-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>340,539.00</b>	<b>397,280.00</b>

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19.

(a) Property, Plant and Equipment

Cost	Land	Buildings and Workshops	Computers	Plant and Equipment	Motor vehicle	Furniture & Fittings	Total
	-	0.03	0.30	0.13	0.25	0.13	
	KShs	KShs	KShs	KShs	KShs	KShs	KShs
As at 1 July, 2022	3,000,000.00	77,750,835.00	3,665,121.00	16,997,405.00		4,846,130.00	106,259,491.00
							-
Additions	-	-	876,000.00	1,715,450.00		807,796.00	3,399,246.00
Sentry Box	-	597,980.00					597,980.00
Engineering Work Shed	-	1,179,535.00					1,179,535.00
VDI Project	-	-	1,833,320.00				1,833,320.00
As at 30 June, 2023	3,000,000.00	79,528,350.00	6,374,441.00	18,712,855.00		5,653,926.00	113,269,572.00
Additions during the period	-	-	-	349,999.80	280,500.00	1,980,940.00	2,611,439.80
Sentry Box additions	-						-
Engineering Work Shed	-						-

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VDI Project additions during the period	-	-					
As at 30th June 2024	3,000,000.00	79,528,350.00	6,374,441.00	19,062,854.80	280,500.00	7,634,866.00	115,881,011.80
Depreciation and impairment							
Accumulated Depreciation		5,812,500.00	1,951,976.00	5,635,063.00		937,926.00	14,337,465.00
Depreciation And Impairment	-	1,972,183.00	1,442,946.00	2,293,401.00		653,117.00	6,361,647.00
As at 30 June, 2023	-	7,784,683.00	3,394,922.00	7,928,464.00	-	1,591,043.00	20,699,112.00
Depreciation And Impairment	-	1,988,208.75	1,912,332.30	2,382,856.85	-	954,358.25	7,237,756.15
As at 30th June 2024	-	9,772,891.75	5,307,254.30	10,311,320.85	-	2,545,401.25	27,936,868.15
Net Book Values							
As at 30th June 2024	3,000,000.00	69,755,458.25	1,067,186.70	8,751,533.95	280,500.00	5,089,464.75	87,944,143.65
As at 30th June 2023	3,000,000.00	71,743,667.00	2,979,519.00	10,784,391.00		4,062,883.00	92,570,459.00

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**(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:

<b>Description</b>	<b>Cost</b>	<b>Accumulated</b>	<b>Net Book</b>
	<b>2024</b>	<b>Depreciation</b>	<b>Value</b>
Land	3,000,000.00	-	3,000,000.00
Buildings and workshops	79,528,350.00	9,772,891.75	69,755,458.25
Furniture And Fittings	7,634,866.00	2,545,401.25	5,089,464.75
Computers	6,374,441.00	5,307,254.30	1,067,186.70
Motor vehicle	280,500.00		280,500.00
Plant and Equipment	19,062,854.80	10,311,320.85	8,751,533.95
			-
<b>Total</b>	<b>115,881,011.80</b>	<b>27,936,868.15</b>	<b>87,944,143.65</b>

**20 Intangible Assets**

<b>Description</b>	<b>30th June 2024</b>	<b>Audited Accounts</b>
	<b>Kshs</b>	<b>Kshs</b>
	ERP System - Microsoft Dynamics 365	
	0.3	
<b>Additions during the period</b>	1,180,000.00	
Depreciation And Impairment	354,000.00	-
<b>Net Book Values</b>	<b>826,000.00</b>	<b>-</b>

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21. Trade and Other Payables from Exchange transactions

Description	30th June 2024	Audited Accounts
	Kshs	Kshs
Trade Payables	1,767,765.00	108,300.00
Other Payables	80,720.00	14,720.00
PAYE Withholding-Tax	-	102,858.00
Housing Levy Payable	18,120.00	-
PAYE Payables	3,306.00	3,460.00
NHIF Payables	16,900.00	15,000.00
NSSF Payables	72,360.00	63,660.00
NITA Levy Payable	1,150.00	-
Student Fee prepayments	1,670,943.00	1,670,943.00
Prior Year Fee Received in Advance	1,709,664.00	1,709,664.00
Deferred Incomes	10,058,198.00	10,058,198.00
<b>Total trade and other payables</b>	<b>15,399,126.00</b>	<b>13,746,803.00</b>

a) Ageing Analysis

Description	30th June 2024	Audited Accounts
	Kshs	Kshs
Under one month	111,836.00	184,978.00
Above 1 month - Less than 3 months	1,725,465.00	108,300.00
Above 3 month - Less than 6 months	123,020.00	14,720.00
Above 6 month - Less than 12 months	-	3,380,607.00
Above 12 month - Less than 3 Years	13,438,805.00	10,058,198.00
<b>Total</b>	<b>15,399,126.00</b>	<b>13,746,803.00</b>

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**22. Refundable Deposits from Customers/Students**

<b>Description</b>	<b>30th June 2024</b>	<b>Audited Accounts</b>
	<b>Kshs</b>	<b>Kshs</b>
Student ID Cards		406,890.00
Student Council Funds		878,808.00
Caution Money	585,920.00	585,920.00
<b>Total deposits</b>	<b>585,920.00</b>	<b>1,871,618.00</b>

**a) Ageing Analysis**

<b>Description</b>	<b>30th June 2024</b>	<b>Audited Accounts</b>
	<b>Kshs</b>	<b>Kshs</b>
Above 12 month - Less than 3 Years	585,920.00	1,871,618.00
<b>Total</b>	<b>585,920.00</b>	<b>1,871,618.00</b>

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**23. Cash generated from operations.**

Description	30th June 2024	Audited Accounts
	Kshs	Kshs
<b>Net Surplus/ (Deficit)/ for the period</b>	<b>10,793,992.95</b>	<b>- 15,280,388.00</b>
<b>Adjusted for:</b>		
Depreciation	7,591,756.15	4,634,777.00
Prior Period Adjustments	2,356,079.00	5,570,895.00
<b>Adjusted Surplus before tax</b>	<b>20,741,828.10</b>	<b>- 5,074,716.00</b>
<b>Working Capital Adjustments</b>		
Decrease in receivable from exchange transactions	11,213,161.50	- 386,792.00
Increase in receivable from Non-exchange transactions	28,600.00	151,320.00
Investing Activities	2,611,439.80	
Decrease in inventories	56,741.00	241,920.00
Increase in trade payables	16,222,134.00	- 850,790.00
Increase in refundable deposits	1,285,698.00	- 162,772.00
Increase in prepaid fees	3,380,607.00	1,704,293.00
<b>Net Cashflows generated from/(Used in) Operating Activities</b>	<b>18,501,196.80</b>	<b>- 4,377,537.00</b>

**2. Financial Risk Management**

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

**(i) Credit risk**

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the 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 Seme TVC's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

<b>Description</b>	<b>Total amount</b>	<b>Fully performing</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>At 30th June 2023</b>		
Receivables from exchange transactions	16,000.00	3,840,276.00
Receivables from non-exchange transactions	2,311,007.00	16,000.00
Bank balances	6,167,283.00	2,311,007.00
<b>Total</b>	<b>8,494,290.00</b>	<b>6,167,283.00</b>
<b>At 30th June 2024</b>		
Receivables from exchange transactions	224,600.00	15,053,437.30
Receivables from non-exchange transactions	18,501,196.65	224,600.00
Bank balances	33,779,233.95	18,501,196.65
<b>Total</b>	<b>52,505,030.60</b>	<b>33,779,233.95</b>

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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 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 Seme TVC's directors, who have built an appropriate liquidity risk management framework for the management of the Seme TVC's short, medium and long-term funding and liquidity management requirements. The Seme TVC 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.

<b>Description</b>	<b>Less than 1 month</b>	<b>Between 1-3 months</b>	<b>Over 5 months</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
At 30 June 2023				
Trade Payables	108,300.00			108,300.00
Other Payables		14,720.00		14,720.00
PAYE Withholding-Tax	102,858.00			102,858.00
PAYE Payables	3,460.00			3,460.00
NHIF Payables		15,000.00		15,000.00
NSSF Payables		63,660.00		63,660.00
Payment Received in advance		1,670,943.00	1,709,664.00	3,380,607.00
Student ID Cards			407,390.00	407,390.00
Student Council Funds			878,808.00	878,808.00
Caution Money		79,420.00	506,000.00	585,420.00
<b>Total</b>	<b>214,618.00</b>	<b>1,843,743.00</b>	<b>3,501,862.00</b>	<b>5,560,223.00</b>

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At 30 June 2024				
Trade Payables	1,659,465.00	108,300.00	xxx	1,767,765.00
Other Payables	66,000.00	14,720.00	xxx	80,720.00
PAYE Withholding-Tax		-	xxx	-
Housing Levy Payable	18,120.00	-	xxx	18,120.00
PAYE Payables	3,303.00	-	xxx	3,306.00
NHIF Payables	16,900.00	-	xxx	16,900.00
NSSF Payables	72,360.00	-		72,360.00
NITA Levy Payable	1,150.00	-		1,150.00
Student Fee prepayments			2,070,943.00	2,070,943.00
Prior Year Fee Received in Advance			1,709,664.00	1,709,664.00
Deferred Incomes			7,711,748.00	7,711,748.00
Student ID Cards			843,260.00	843,260.00
Student Council Funds			983,190.00	983,190.00
Caution Money			705,920.00	705,920.00
<b>Total trade and other payables</b>	<b>1,837,298.00</b>	<b>123,020.00</b>	<b>14,024,725.00</b>	<b>15,985,046.00</b>

**(iii) Market risk**

The Seme TVC has put in place an internal audit function to assist it in assessing the risk faced by the Seme TVC 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 Seme TVC'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 Seme TVC'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.

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

**a) Interest rate risk**

Interest rate risk is the risk that the Seme TVC'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.

**iv) Capital Risk Management**

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

<b>Description</b>	<b>30th June 2024</b>	<b>Audited Accounts</b>
	<b>Kshs</b>	<b>Kshs</b>
Revaluation Reserve		
Retained Earnings	32,112,135.10	11,370,307.00
Capital Reserve	74,792,735.85	82,384,492.00
<b>Total Funds</b>	<b>106,904,870.95</b>	<b>93,754,799.00</b>
Less: Cash and Bank Balances	18,501,196.65	2,311,007.00
<b>Net Debt/(Excess Cash and Cash Equivalents)</b>	<b>125,406,067.60</b>	<b>96,065,806.00</b>
<b>Gearing</b>	<b>117%</b>	<b>102%</b>

The college has no capital risk as it is wholly owned by the Government hence has not borrowed funds as at 30<sup>th</sup> June 2024

**3. 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.

The transactions and balances with related parties during the period are as:

<b>Description</b>	<b>30th June 2024</b>	<b>Audited Accounts</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>a) Purchases from related parties</b>		
Purchases of electricity from - KPLC	854,004.00	603,816.00
Outsourced ERP System - AppKings Solution Ltd	472,000.00	-
<b>Total</b>	<b>1,326,004.00</b>	<b>603,816.00</b>
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt - Capitation	27,605,044.00	6,493,000.00
<b>Total</b>	<b>27,605,044.00</b>	<b>6,493,000.00</b>
<b>c) Key Management Compensation</b>		
Directors' emoluments	1,877,057.50	1,625,718.00
<b>Total</b>	<b>1,877,057.50</b>	<b>5,246,356.37</b>

**4. Events After The Reporting Period**

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

**5. Currency**

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

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**25. 19. Appendices**

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

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
4.4	Non -Remittance Of statutory Deductions	Management has ensured that statutory deductions are remitted on due dates	Resolved	
4.6	Lack of staff Establishment	Development of college staff establishment is in progress	Not Resolved	
4.7	Establishment of Functional Audit Committee	The committee is now operational and its members have been properly appointed and a capacity built as necessary	Resolved	
4.8	Establishment and functioning of internal audit function	The internal audit department is now functional and the internal auditor has been engaged on a part time basis	Resolved	
4.9	Lack of ownership and Valuation Documents	Valuation of College Properties (including Land) is already done. process of transferring land into college name is in progress	Not Resolved	30th June 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.10	No Segregation of duties in Cash management	An accounts Clerk has been Engaged to ensure segregation of duties	Resolved	
	No segregation of Duties in Stores Management	Process of Setting Up Functional Stores Department is in Progress	Resolved	
4.11	Budgetary Control and Performance	Management Has put in effort to ensure that funds are raised and spent as per approved Budget	Not Resolved	30 <sup>th</sup> June 2025



Name Kenneth O. Odeh  
 Accounting Officer

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**Appendix III- Inter-Seme TVC Confirmation Letter**

Name of transferring Seme TVC:.....

Name of beneficiary Seme TVC:.....

**Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30<sup>th</sup> June 2024**

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
DTE/CAP 9/36 (134)	02 OCT 2023	3,661,000.00		3,661,000.00	Capitation
DTE/CAP 9/39(95)	18 JAN 2024	4,868,500.00		4,868,500.00	Capitation
DTE/CAP 9/41(95)	05 FEB 2024	5,564,000.00		5,564,000.00	Capitation
	06 MAR 2024	9,534,119.00		9,534,119.00	Scholarship
DTE/CAP 9/42(95)	31 MAY 2024	3,977,425.00		3,977,425.00	Capitation

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

**Head of Accounts Department - Disbursing Entity:**

Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**

Name Gordon Olima ..... Sign [Signature] ..... Date 14/05/2025

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

There were no Climate Relevant Expenditure during the year ended 30<sup>th</sup> June 2024

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

There were no Disaster Management Expenditure during the year ended 30<sup>th</sup> June 2024

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