

REPUBLIC OF KENYA



**REPORT**

THE NATIONAL ASSEMBLY	
DATE: 25 JUL 2023	DAY: TUESDAY
TABLED BY: Hon. Naomi Wako, MP Deputy Majority Whip	
CLERK-AT-THE-TABLE: Anne Shubuko	

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**NDIA TECHNICAL AND VOCATIONAL  
COLLEGE**

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

**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**



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**NDIA TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE 2022**

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**I. Key Entity Information and Management**

**(a) Background information**

Ndia Technical & vocational College is a TVET institution located at Ndia Sub County in Kirinyaga County. The college has been operation since 1<sup>st</sup> December,2018 and has had tremendous growth of trainees' population over the years.

Ndia TVC aspires to position itself as an institution of first choice in the training of highly skilled, world class technical trainees. It also aspires to equip its trainees with sufficient and relevant entrepreneurial skills so as to prepare them to play their role towards wealth and employment creation in the country.

The government through the Ministry of Education has strengthened the focus of Science, Engineering and Technology (SET), research and Innovations, industrial linkages, collaborations and partnerships' and TVET policies as underlying the country's national development efforts.

**(b) Principal Activities**

The Mandate of Ndia Technical & vocational college is to provide Technical, Vocational and Entrepreneurship Training (TVET) in a conducive environment using appropriate technology to empower her trainees for individual and national development. To provide quality skills using sustainable and innovative technology.

We offer both Technical and Business courses. Our College has modern equipment in automotive engineering which is our major course.

**Courses offered**

The Technical courses offered are as follows:

- i) Diploma in Automotive Engineering.
- ii) Craft Certificate in Automotive Engineering.
- iii) Artisan in Automotive Engineering.
- iv) Diploma in Building Construction.
- v) Craft Certificate in Building Construction.
- vi) Artisan in Masonry.
- vii) Craft Certificate in Electrical Engineering.
- viii) Craft Certificate in Plumbing Technology.
- ix) Artisan in Plumbing Technology
- x) Diploma in electrical engineering

The College offers the following Business Courses and Beauty Courses.

- i) Diploma in Information and Communication Technology.
- ii) Craft Certificate in Information and Communication Technology.
- iii) Artisan Courses in Hairdressing and Beauty Therapy.

Our faculty comprises of qualified personnel, majority being degree and diploma holders in various engineering courses.

**1. Vision**

To be a global centre of excellence in technical and vocational training.

**1. Mission**

To provide quality training skills and competence using sustainable and innovative technology

**The core values**

- Transparency and accountability
- Quality service
- Creativity and innovation
- Team work
- Efficiency and effectiveness

**(c) Key Management**

The college day-to-day management is under the following key organs:

- (i) Board of Governor
- (ii) Accounting officer/ Principal
- (iii) Heads of Departments
- (iv) Heads of Sections

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Principal	Nicholas Muriithi Muriuki
2.	Deputy principal Finance & Academics	Joseph M'ngondu Kimathi
3.	Ag Registrar	Veronicah Kirigo Chege
4.	Dean of students	Mark Njoroge
5.	Head of Finance	Patrick Mwangi Kinyua
6.	HoD – Building and Civil Engineering	John Kiburi
7.	HoD – Electrical Engineering	Alex Mwangi Muchiri
8.	HoD – Automotive & Mechanical Engineering	Charles Kinyua Wamugunda
9.	HoD Cosmetology	Mary Wambui Maina
10.	HoD Sports and Games	Daniel Gichoya Karimi

**(e) Fiduciary Oversight Arrangements**

**Audit and risk committee activities**

- Establish Internal Audit Functions
- Formulate whistle blowing Policy in the College
- Formulate and Review of OHS Policy
- Formulation and Implementation of Anti- Corruption Policy
- Putting in place Security Surveillance Mechanisms
- Enhance Security of the Institution
- Formulate and Implement ICT Policy
- Carry out an audit on values of governance
- Ensure all financial transactions are properly authorized
- Ensure proper fees collection mechanisms
- Ensure proper systems controls in all service points

**Finance and human resource**

- Resource Mobilization
- Prepare Annual Procurement Plan
- Prepare Annual Budget
- Discus Quarterly Financial Report
- Establish Internal Financial Control Systems
- Ensure adherence to Procurement Act and Regulations
- Final Financial Accounts
- Human Resource Management
- In Charge of Assets Management
- Formulation of Policies
- Infrastructural Development and Maintenances
- Adherence to Principles of Governance
- Development of Organizational Structure
- Establishment of Key Management Committees
- Strategic Planning
- Monitoring and Evaluation
- Ensure that external audit of financial statement is completed and submitted in time

**Academic committee activities**

- Formulation and Review of the Academic Policy
- Quality Assurance
- Development and Implementation of New Programs
- Determination of Resources:
  - Human Resource
  - Teaching/Learning Materials
- Curriculum Evaluation
- Establish Linkage between the College and Industry
- Ensure Relevance of Courses to Market Needs
- In Charge of Graduations and Academic Awards

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

**(f) Entity Headquarters**

P.O. Box 4 -10230 Sagana  
Kirinyaga County  
Ndia Sub-County  
3km off Sagana - Kagio road

**(g) Entity Contacts**

Telephone :( +254)0799906614  
E-mail: ndiatechnical@gmail.com  
Website: www.ndiatvc.com

**(h) Entity Bankers**

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

Kenya Commercial Bank  
Murang'a Branch  
Murang'a, Kenya

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**(i) Independent Auditors**

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





**(j) Principal Legal Adviser**

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

**II. The Council/Board of Governors**

No.	Member/ Director	Details
1.	 <p>Board Chairman Eng. Anthony Wandu P.O BOX 17085- 00100 Nairobi</p>	<p><b><u>Date of birth:</u></b> 2<sup>nd</sup> December 1974</p> <p><b><u>Qualifications:</u></b> Bachelor of Science – Civil Engineering (University of Nairobi)</p> <p><b><u>Work experience:</u></b> Over 20 years of experience in Project management, structural design and supervision with various civil and engineering companies.</p>
2.	 <p>Member Ms. Alice Njuguini Kariuki</p>	<p><b><u>Date of birth:</u></b> 16<sup>th</sup> Dec 1990</p> <p><b><u>Qualifications:</u></b> Bachelor of Land Scape Architecture (Jomo Kenyatta university) Architectural Association of Kenya(Aak)</p> <p><b><u>Work experience</u></b> NG-CDF Ndia Constituency Ministry of Transport, Roads and Public Works Design Solutions Hurluungam</p>
3.	 <p>Member Ms. Yvonne Achieng Murenga P.O Box 21046-00100 Nairobi</p>	<p><b><u>Date of birth:</u></b> 11<sup>th</sup> Dec 1987</p> <p><b><u>Qualifications:</u></b> Bachelor of Science in Information Technology Jomo Kenyatta University of Science &amp; Technology. (JKUAT) Diploma in Information Technology Jomo Kenyatta University of Science &amp; Technology. (JKUAT)</p> <p><b><u>Work experience</u></b> Senior ICT Officer- National Construction Authority. She has a working experience of 8 years in ICT systems Administration, network management, user support and training.</p>

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<p>4.</p>	 <p>Member  Ms. Kiplangat  Cherono Nelly P.O  Box 3622- 00100  Nairobi</p>	<p><b>Date of birth:</b> 06<sup>th</sup> October 1990  <b>Qualifications:</b>  Master of Science in geospatial information systems and remote sensing  Bachelor of Science in soil, water and environmental engineering Jomo Kenyatta University Of Science &amp; Technology.  <b>Professional Qualification</b>  Area of specialization: geospatial analysis, water engineering and environmental management.  <b>Work experience</b>  Lecturer for 2 years in water and environmental engineering and G15 and remote sensing.</p>
<p>5.</p>	 <p>Member  Mr. Thomas Maganjo</p>	<p><b>Date of birth:</b> 1978  <b>Qualifications:</b>  Bachelor of Business Administration, Finance option (first class honors) Diploma in project management  CPA 11 SEC 4  <b>Work experience</b>  Accountant: Tropical Products International Ltd  Accountant: Miles Management Cons Manager: Mwerua Farmers' Co-operative Society ltd 2003-2014 (10yrs)  Accountant: EGO Manufacturers &amp; Distributors Ltd  Manager : Kenya Red Cross Society</p>
<p>6.</p>	 <p>CD- TVET  Mr. Peter Kaume</p>	<p><b>Qualifications:</b>  Master of Education, B. Ed  <b>Work Experience</b>  24 Years of experience in TVET training and management.</p>
<p>7.</p>	 <p>Member  Mr. Bernard Wanjohi Muriuki</p>	<p><b>Qualifications:</b>  BSc Civil Engineering.  <b>Work Experience</b>  32 Years' Experience in Civil Engineering Works.</p>

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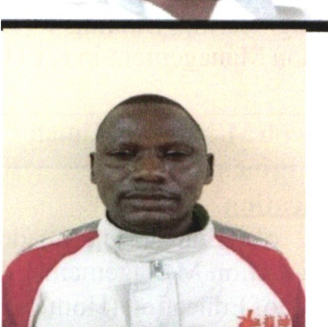


8.	 <p>Principal/ BOD Secretary Nicholas Muriithi Muriuki</p>	<p><b><u>Date of birth:</u></b> 1965</p> <p><b><u>Qualifications:</u></b> M.Ed- Ongoing Dip, H. Dip, B.ED.</p> <p><b><u>Work Experience</u></b></p> <p>Over 28years of experience in Building, Civil Engineering, training TVET and Education Management in KTTC, TSC &amp; PSC</p>
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**III. Management Team**

No.	Member	Details
1.		<p>Mr. Nicholas Muriithi Muriuki Principal</p> <p><b>Qualifications:</b> M.Ed- Ongoing Dip, H. Dip, B.ED.</p> <p><b>Work Experience</b></p> <p>Over 28years of experience in Building, Civil Engineering, training TVET and Education Management in KTTC, TSC &amp; PSC</p>
2		<p>Mr. Joseph M'Ngondu Kimathi Deputy Principal;</p> <p><b>Qualification</b> Master of Education Leadership and Administration Management (Med). Bachelor of Education (Home science and Technology). -With 20 years of experience working in the Hospitality, Banking and TVET institutions.</p>
3		<p><b>Ms. Veronicah Kirigo Chege</b> Ag. Registrar</p> <p><b>Qualifications</b> BSc. in Fashion Design and Clothing Technology and Diploma in Technical Education (KTTC) Has worked in TVET Institutions, with 14 years of experience in various positions. Currently working at Ndia TVC as the College Registrar/ PC Coordinator.</p>
4		<p><b>Mr. Alex Mwangi Muchiri</b> Ag.HOD Electrical &amp; Electronics</p> <p><b>Qualifications</b> BSc. Electrical and Electronics, with 56 years of experience in the industry and TVET training.</p>

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5		<p><b>Mr. Mark Njoroge</b>          Dean of students  <u><b>Qualifications</b></u>          B.Sc. in Mechanical Engineering,          2ndlower. 5yrs professional experience in          industries and 2yrs training experience in          Ndia TVC.</p>
6		<p><b>Mr. John Kiburi</b>          HOD Building &amp; Civil Engineering  <u><b>Qualifications</b></u>          BSc.in Civil Engineering and over 14 years          of experience in Building and Civil          Engineering industry and TVET Training.</p>
7		<p><b>Mr. Charles Kinyua Wamugunda</b>          Ag. H O D Automotive  <u><b>Qualifications</b></u>          Diploma in Automotive Engineering.          Extensive experience in mechanical          Engineering in the Ministry of Public          Works.</p>
8		<p><b>Mrs. Emily M. Mwangi</b>          HOD Guidance &amp; Counselling  <u><b>Qualifications</b></u>          B.A Literature          Post graduate diploma in Education with 32          years of experience in Education.</p>
9		<p><b>Ms. Eunice N. Kimani</b>          Ag HOD Information and Communication          Technology.  <u><b>Qualifications</b></u>          Diploma in Technical Education.          Diploma in Information Communication          Technology with 4 years' experience in          Examinations office at Ndia TVC.</p>

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10.		<p><b>Mr. Patrick M Kinyua</b>  Finance Officer  <u><b>Qualifications</b></u>  CPA (K)  Bachelors in Business Management Masters in Business Management with 10 years of experience in Accounting and Finance having worked with various private companies and at Ndia TVC as the Finance Officer.</p>
11.		<p><b>Ms. Mary Wambui Maina</b>  HoD Cosmetology  <u><b>Qualifications</b></u>  Diploma in Hair Dressing and Beauty with 10 years of experience in Training.</p>
12.		<p><b>Mr. Daniel Gichoya Karimi</b>  HoD Sports and Recreation Activities  <u><b>Qualifications</b></u>  BTEC in Electrical &amp; Communication with 5 years of experience in TVET Training.</p>

**IV. Chairman's Statement**

It is my pleasure to present Ndia Technical & Vocational College Annual Financial Statements for the financial year ended 30<sup>th</sup> June, 2022. The College Board notes with appreciation the continued support of the Government and other stakeholders in running the institution. The College continues to offer quality programs that are market-driven and meet the demands of the market. The Board endeavors to work with the industry and other strategic partners and stakeholders in order to provide facilities to meet the challenges the College is facing.

There has been a steady increase in student population and expansion of the academic programs, which has exerted a lot of pressure on the existing facilities, thereby necessitating the need for putting up more training facilities. The Board in collaboration with the relevant stakeholders is committed towards delivering the same.

During the financial year 2021/2022, the College embarked on various projects among them;

- a) Committed to continue with the process of acquiring the ownership of the land where the college is built.
- b) Rehabilitating and upgrading Tuition Block previously occupied by police officers
- c) Increasing water supply and distribution in college
- d) Acquired additional furniture for the trainees and trainers

The College continued to enroll trainees to the NITA programs, which are geared toward supporting the government's push for the competence-based curriculum.

College has faced numerous challenges attributed to:

- a) Shortage of Government funds through capitation in the fourth quarter 2021/2022
- b) Delayed both from the National government through capitation and HELB thus delaying actualization of the projects for the financial year 2021/2022.

We continued with the measures of setting up of management and governance structures that reflect College status. During the year, the College First BoG chairman resigned and a new


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Chairman was appointed. Besides, there was appointment of a new member to the College Board thus meeting the threshold. Inauguration was done and Board committees constituted. I thank the government for its financial support so far that has made it possible to implement the NTVC functions and program.

I finally, wish to thank all stake holders for their continued support and dedication, even as we together strive to achieve greater heights of excellence.



**Board Chairperson.**

**V. Report of the Principal**

I am pleased to present the Annual report and Financial Statements of Ndia Technical & Vocational College for the financial year ended 30<sup>th</sup> June, 2022. Ndia Technical & Vocational College is an academic institution committed to generating and transmitting knowledge, skills and right attitudes through technical and vocational innovation for self-reliance of our trainees and to bridge the skills gap in the market.

**Academic and Student affairs**

During the financial year under review, the College has remained on course. The main focus of which has been quality, relevance, access and sustainability intended to consolidate and reshape the College with a view to living up to College of choice in the country. College had her admissions for the 2021/2022 in September 2021, January 2022 and May 2022 in the following academic program.

The College also embarked on rationalization of structures and realigning Academic Programs in order to focus on our niche. At the start of 2021/2022 academic year which fell in 2020/2021 financial year, the College registered the Technical NITA courses, which are geared towards supporting the government's push for the competence-based curriculum and the government's Big 4 agenda. When fully implemented; this will see the College supplement her internally generated incomes in future. Special appreciation goes to all the students who have chosen Ndia Technical & Vocational College as their place of study and it will continue offering market-driven academic programs for industrial and socio-economic growth.

**Trainee's Welfare**

Ndia Technical & Vocational College continued to support the welfare of her main stakeholders (Trainees) to enhance their academic environment in the spirit of producing holistic graduates.

One of the greatest challenges in the management of students' welfare is the large number of brilliant students from very humble backgrounds. In order to increase the completion rate and to reduce incidences of dropping out due to lack of fees, the College facilitated the disbursement of HELB Loan/ bursaries and NG CDF to students.

The college also supported the trainees who participated in KATTI regional athletics, ball games, music festivals as well as robotics symposium by providing them with upkeep for the number of days they were in attendance. The college emerged one of the institutions with the best teams in

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the Mt Kenya KATTI region in ball games besides proceeding to the National athletics representing the region.

**Collaborations and linkages**

During the period the College developed memoranda of understanding (MoUs) manual which will be used as a guiding document as it enters into collaborations with different organizations in future. Ndia Technical & Vocational College also engaged in linkages with several public and private organizations to enable linking industry with academics for the benefit of the trainees and the industries.

**Administration, Planning and Finance College Infrastructure**

Ndia Technical & Vocational College initiated various projects geared towards achieving its objectives. These include but not limited to;

- a) Committed to continue with the process of acquiring the ownership of the land where the college is built.
- b) Rehabilitating and upgrading Tuition Block previously occupied police officers
- c) Increasing water supply and distribution in college
- d) Acquired additional furniture for the trainees and trainers

**Administration and Staffing**

I am humbled to convey my appreciation and gratitude to the College Board and all the members of staff for their support, commitment and dedication to their work and their efforts that have seen Ndia TVC move towards attaining its vision.

During the financial year ending 30<sup>th</sup> June 2022, Ndia TVC received additional staffs employed by the College Board based on the identified skills gap and training need assessment. In order to remain on course and continue executing the core mandate of the College, the principal appointed various members of staff to constitute management committees in a bid to help the College continued implementation of the 2020 2022 strategic plan.

**Financial Sustainability**

During the financial year, the College put in place the necessary financial, procurement and internal control measures on resource utilization to ensure that it meets the targets of revenue collection and cost control measures. I express my sincere gratitude to the Government of Kenya and in particular the State Department of Technical & Vocational Training for funding the College through trainees' capitation for Quarter 1 to 3 at Kshs. 5,445,000.00.

Despite the many challenges the College has faced, I am glad to report that the College has managed to stay afloat financially.

**Service Delivery and Vision 2030**

In order to continue providing quality education, services and striving to achieve the College's mandate, the Senior Management Committee was constituted and officers appointed were department heads. Besides, Ndia TVC has cascaded service delivery charter to the departmental levels and placed strategies to monitor its implementation. This has enhanced quality and efficient service delivery.

Finally, I thank the Government of Kenya, the local community, donor agencies, our bankers, development partners, parents/ guardians, suppliers and service providers for their support and cooperation

**Mr. Nicholas Muriithi Muriuki**

**Principal/Secretary of the board**



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

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

Ndia TVC has eight strategic pillars and objectives within its Strategic Plan for the FY 2020/2021-2022/2024. These strategic pillars are as follows:

Pillar 1: Access and Equity

Pillar 2: Institutional Corporate Governance/Management

Pillar 3: ICT (Equipment and Technology)

Pillar 4: Research and Innovation

Pillar 5: Financial resources

Pillar 6: Publicity of the College

Pillar 7: Collaboration and Linkages

Pillar 8: Infrastructure Development

Ndia TVC developed its annual work plans based on the above eight pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis and a final report done at the close of the financial year. The college achieved its performance targets set for the FY 2021/2022 period for its eight strategic pillars, as indicated in the diagram below:

Pillar no	Strategic issues	Strategic Objective	Key Performance Indicators	Activities	Achievements
1:	Access and equity	To diversify training program intensify sponsorship & collaborations	-No. of students enrolled -No. of programs launched -No. of sponsors and collaborations	-Introduced two new learning programs and applied for registration	-Increased enrolment of trainees -NITA Program introduced
2:	Institutional Corporate Governance /Management	To improve Institutional corporate governance/Management	-Organizational structure developed and approved, institute management policy	-Establish institutional policies, strategies and programs that are responsive to effective governance and	-Established 4 policies in the year: -Gender main streaming -Disability mainstreaming policy

			<ul style="list-style-type: none"> <li>-Set out departmental offices</li> <li>-Additional department heads appointed</li> </ul>	<ul style="list-style-type: none"> <li>management of Ndia TVC.</li> <li>-Appoint quality assurance officer</li> <li>-Create a quality assurance office</li> </ul>	<ul style="list-style-type: none"> <li>-Human resource manual</li> <li>-Academic policy</li> </ul>
3:	ICT	Promote effective application of ICT	<ul style="list-style-type: none"> <li>-Upgraded the college website</li> <li>-Online training/learning application</li> <li>-Increased internet broadband and WIFI</li> </ul>	<ul style="list-style-type: none"> <li>-Specification of the college website</li> <li>-Development of online training/learning module</li> <li>-Increase internet broadband to 5MPBS</li> <li>-Increase the WIFI points</li> </ul>	<ul style="list-style-type: none"> <li>-Active &amp; interactive website in place</li> <li>-Online training/learning modules in place</li> <li>-Internet increased to 5MPBS</li> <li>-Increased WIFI links</li> </ul>
4:	Research and Innovation	-Establish forums for sensitization of staff and trainees on the need of research and innovation.	<ul style="list-style-type: none"> <li>-Research /development officer and champions appointed</li> </ul>	<ul style="list-style-type: none"> <li>-Initiate college research procedures</li> <li>-Training of champions</li> <li>-Bench marking with best practice</li> </ul>	<ul style="list-style-type: none"> <li>-Research /development officer appointed</li> <li>-Research champions appointed</li> <li>-Research team trained</li> </ul>
5:	Financial Resources	Enhance fees collection.	<ul style="list-style-type: none"> <li>-Fees collection &amp; debts Control systems established and implemented.</li> </ul>	<ul style="list-style-type: none"> <li>-Training of accounting officer.</li> <li>-Initiating a process to recruit a finance officer.</li> <li>-Initiated possibilities of automating the department.</li> </ul>	<ul style="list-style-type: none"> <li>-Accountant attended training</li> <li>-BoG approved recruitment of finance officer</li> <li>-Consulting with various suppliers on automation.</li> <li>-High revenue realized.</li> </ul>

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6:	Human Resource	Enhance the staff and adequacy competence.	<ul style="list-style-type: none"> <li>-Carry out skills gap analysis</li> <li>-Determine the staff establishment.</li> <li>-Determine staff development</li> </ul>	<ul style="list-style-type: none"> <li>- Liaise with the PSC/BoG for meeting gaps in teaching as per the skills gap analysis done.</li> <li>-Establishing a schedule to facilitate staff development</li> </ul>	-3 BOG trainers employed.
7:	Collaboration and linkages	Enhance Collaborations and Linkages	<ul style="list-style-type: none"> <li>-Ensure KATTI membership</li> <li>-Build collaboration with nearby industries and private sectors</li> </ul>	<ul style="list-style-type: none"> <li>-Participated in KATTI and CAPA activities to strengthen linkages with other TVET institutions.</li> <li>-Sent trainees for attachment and internship</li> </ul>	<ul style="list-style-type: none"> <li>-Leadership workshops and seminars attended.</li> <li>-Participated in sports at regional and national Levels.</li> <li>-Participated in the regional and national Trade Fairs and Robotics symposium.</li> </ul>
8:	Infrastructure improvement	Upgrade infrastructure	<ul style="list-style-type: none"> <li>-Facilities and equipment upgraded</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>-completion of the construction of generator shed</li> <li>- Rehabilitation of the police officers' houses into makeshift classes.</li> </ul>	<ul style="list-style-type: none"> <li>-Generator shed constructed</li> <li>-Water tank installed</li> <li>-Expansion of the water network done</li> </ul>

## **VII. Corporate Governance Statement**

Good corporate governance is key to the integrity of state corporations and is central to its sustainability. Corporate governance plays a leading role in how corporations and their boards of governors are directed, controlled and held to account. Corporate governance, therefore, encompasses the systems, practices and procedures by which the individual corporation is regulated in order to remain competitive, ethical, sustainable and fair.

Ndia TVC Board adheres to principles of openness, integrity and accountability in its stewardship of the College's affairs. It recognizes the developing nature of corporate governance and assesses the College's compliance with generally accepted corporate governance practice on a regular basis, directly and through its full board and Board committees. The role of the Board is to ensure conformance by focusing on and providing the College's overall strategic direction and policy-making as well as performance review through accountability and ensuring appropriate monitoring and supervision. The Board is also responsible for the overall system of internal control and for reviewing its effectiveness. The controls are designed to both safeguard the College's assets and ensure the reliability of financial information.

The College Board meets regularly to consider issues of operational and strategic importance to the College. Below are the key features of the existing corporate governance practices within Ndia TVC which are reviewed and improved on a regular basis: -

### **1. College Board**

The College Board consists of the Chairman and six members, who have been appointed in accordance with the TVET Act (2013). The full College Board meets at least quarterly.

The Board is responsible for setting the direction of the College through the establishment of strategic objectives, key policies and approval of budgets. It monitors the implementation of strategies and policies through a structured approach of reporting by management and consequent accountability.

The Board is actively involved and brings strong independent judgment on its deliberations and discussions. The College Board members have diverse skill set, a wide range of knowledge and experience of College setting that is applied to the formulation of strategic objectives and decision-making. The Board meets regularly and retains full and effective control over the College in all

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Strategic, financial, operational and compliance areas. During the last year, the Cabinet Secretary for Ministry of Education approved list of the new board members submitted after the expiry of the term of the former College Board.

**2. Board Committees**

To assist the Board in the discharge of its responsibilities, Board committees have been established. All the Board committees meet at least two times a year. The committees are as follows: -

**a) FINANCE, HUMAN RESOURCE COMMITTEE**

**Current Membership**

1	Ms. Alice Njuguni	Chair of the committee.
2	Ms. Yvonne Achieng	Committee Member
3	Thomas Maganjo	Committee Member
4	Mr. Nicholas Muriithi Muriuki	Secretary of Board

**Responsibilities:**

1. To receive, consider and submit the proposed budget estimates from the various college department for approval by the Board;
2. To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
3. To report to the Board all matters related to finance and development;
4. To ensure that accurate records are kept on the establishments in the College;
5. To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the College;
6. To report to the Board on the progress of physical infrastructure development of the College;
7. To prepare College development plans for an approved period and submit to the Board; and
8. To exercise such other powers as the Board may from time to time delegate to the Committee.

**b) . Audit and Risk Committee**

**Current Membership**

1	Mr. Thomas Maganjo	Board Member
2	Ms. Yvonne Murenga	Board Member
3	Mr. Peter Kaume	Board Member
4	Mr. Nicholas Muriithi Muriuki	Secretary to the Board

**Responsibilities:**

1. To evaluate adequacy of management procedure with regard to issues relating to risk management, control and governance;
2. To review external audit findings and recommendations and propose corrective and preventive actions where necessary;
3. To review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics;
4. To initiate special audits and or investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting officer; and
5. To exercise such other powers as the Board may from time to time delegate to the Committee

**c) ACADEMIC COMMITTEE**

**Current Membership**

1	Ms. Nelly Cheron	Board Member
2	Ms. Yvonne Murenga	Board Member
3	Mr. Nicholas Muriithi Muriuki	Secretary of Board

**Responsibilities:**

- 1) Formulation and Review of the Academic Policy
- 2) Quality Assurance
- 3) Development and Implementation of New Programs
- 4) Determination of Resources:
  - a) Human Resource
  - b) Teaching/Learning Materials
- 5) Curriculum Evaluation

- 6) Establish Linkage between the College and Industry
- 7) Ensure Relevance of Courses to Market Needs
- 8) In Charge of Graduations and Academic Awards

## **2. Board Members' Remuneration**

Sitting allowance for Board members and chairman honorarium are guided by circular No. OP/CAB.9/21/2A/LII/43 dated 23rd November, 2004. The remuneration for Board members consists of sitting and subsistence allowances in connection with Board & Board committee and Chairman's during the financial year ended 30<sup>th</sup> June, 2022 are outlined under the notes to these Financial Report and Financial Statements (Board expenses)

## **3. Succession Plan**

The appointment of Board members is the prerogative of the Cabinet Secretary, Ministry of Education. Members have no control of the appointment and duration of service.

## **4. Board Charter**

Ndia TVC Board has a board charter. The Board is also guided by Mwongozo Code of Governance.

## **5. Appointment and removal of Board members**

The appointment of Board members is the prerogative of the Cabinet Secretary, Ministry of Education

## **6. Induction and Training**

Current Ndia TVC Board of governors were inducted in the 2021/2022 financial year

## **7. Board and Board Members' Performance**

The Board performance evaluation exercise was done in September, 2022.

## **8. Conflict of interest**

In every Board meeting held by the Ndia TVC Board, Members declare conflict of interest on matters in the agenda and register the same in the conflict of interest register book.

## **9. Ethics and Conduct**

Ndia College Board Members uphold the highest standard of Ethics and conduct while executing their mandate.

**10. Governance Audit**

The Board has put in place a combination of processes and structures to inform, direct, manage and monitor the activities of the College towards the achievement of its objectives. There is an independent audit and risk committee that reports to the Board on a regular basis.

The audit and risk committee plays a key role in assisting the Board to fulfill its oversight responsibilities in areas such as financial reporting, internal control systems, risk management systems and the external audit functions.

**11. Internal Controls**

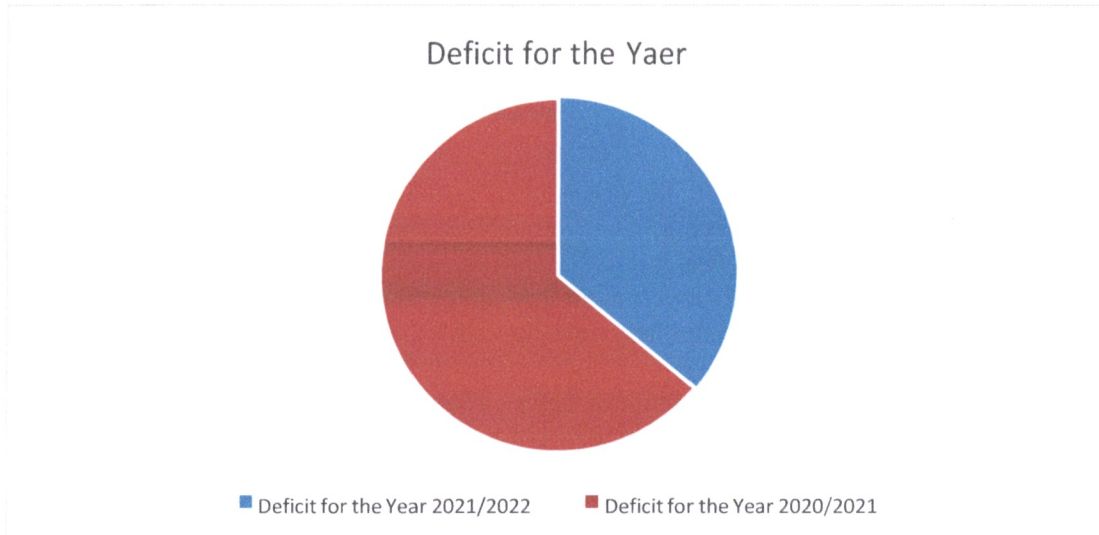
The College has implemented and maintained internal controls designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard and maintain accountability of the College's assets.

Such controls are based on Law, Government & College regulations, Policies and circulars and are implemented by trained personnel with appropriate segregation of duties. The effectiveness of the system of internal controls is monitored regularly through operational meetings and the annual external audit.

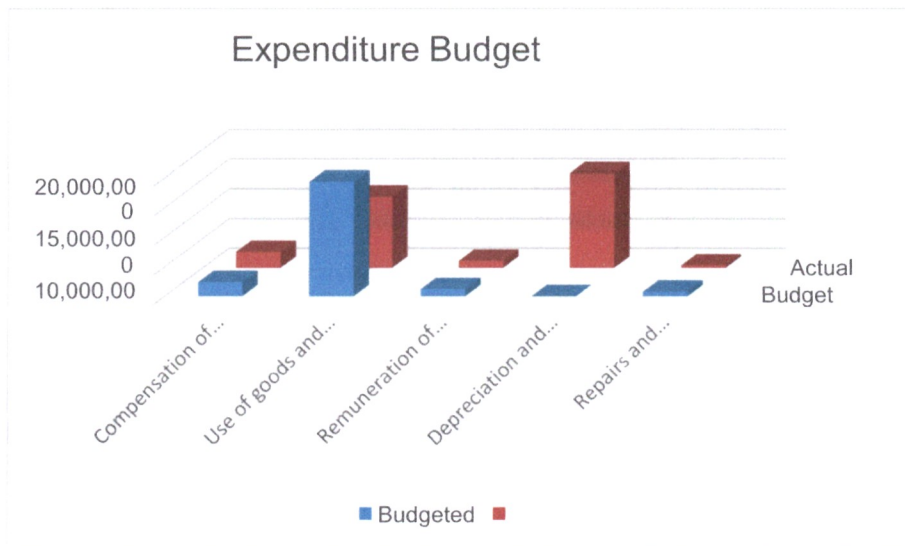
**12. Going Concern**

The College Board confirms that Ndia TVC has adequate resources to continue in operation for the foreseeable future and therefore, the continued use of going concern as a basis of preparing the financial statements.

**VIII. Management Discussion and Analysis**



Ndia TVC loss for the financial year ended June 30, 2022 decreased by 43.69%. This resulted from exclusion (in the 2021/2022 financial year) of items erroneously included in the financial statements of the college including Bursaries and HELB. Further, the college was able to collect more funds from additional trainees joining in the September 2021 and January 2022 intakes.



The comparison of budgeted and actual use of goods for the college indicated that the budgeted use of goods was higher than the actual consumption in use of goods. Depreciation expense was not included in the budget 2021/2022 and amounted to Ksh. 15,930,222.

## **Ndia Technical and Vocational College**

### **Annual Report and Financial Statements for the year ended 30th June 2022**

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Total actual income for the FY2021/2022 was significantly lower than the budgeted income for the same period. The college expected to receive operational grants from the government which were not received. Besides the incomes from rendering of services was significantly lower than the budgeted incomes for the same period.

While the College operates in a relatively dynamic environment and subject to significant changes in the economic situations such as the high cost of living, Covid-19 and the political environment, there were various major risks and mitigation measures that were identified in the financial year 2021/2022. These risks are as noted below;

#### **a) Operational Risks**

This is the loss resulting from inadequate or failed procedures, systems or policies including:

- 1) Failure to collect the full incomes owing
- 2) Some students fail to pay their full fees
- 3) Delayed funding from the National Government through capitation with the example of the FY 2021/2022 fourth year capitation completely missing with a circular supporting the same.

The management of the college sought to mitigate this risk by taking the following measures:

- 1) Strict enforcement of the fees payment policy
- 2) Enhancing debt collection measures
- 3) Enforcement of the 100% payment on admission or on reporting back in a new term
- 4) Continued advocacy to source development and infrastructural funding.

#### **b) Market Risks**

The college faced risks following the overall market performance as a result of:

- 1) The college failing to attract substantial population of trainees due to the competition from other TVET colleges in the region
- 2) Risk of failing to get enough specialist trainers to act as thematic leaders due to their level of experience and financial constraints.

However, the management sought to mitigate this risk by taking up aggressive measures and inclusion into the budget expenditures to support these noble actions

- 1) Devise and implement aggressive marketing of programs
- 2) Enhance the diversity and quality of the College programs
- 3) Enhancing the staff working environment and improving staff welfare
- 4) Lobby the PSC to employ more trainers
- 5) Periodical capacity building of the college staffs

#### **c) Liquidity Risks**

As regards the Ndia TVC liquidity risk, in the FY 2021/2022, the college faced significant risk resulting from the inability to meet short term financial demands. This usually occurs due to the inability to convert assets like debts to cash as well as delayed government funding in the form of capitation.

Risk Mitigation strategies:

- 1) Step up efforts to collect the outstanding fees and sensitize the trainees on alternative sources of funding like NG CDF bursaries, HELB loan/bursaries,

### **COMPLIANCE WITH STATUTORY REQUIREMENTS**

During the 2021/2022 financial year, the College complied with all statutory requirements. The Institution does not have any non-compliance that may result to any potential litigation issues or exposure to contingent liabilities.

**MAJOR RISKS**

**OPERATIONAL RISKS**

This is loss resulting from inadequate or failed procedures, systems or policies including:

- 4) Failure to collect the full incomes owing
- 5) Some students fail to pay their full fees
- 6) Some debtors from non-tuition activities delay paying for services rendered.
- 7) The College is facing the risk of insecurity which is prevalent in the country
- 8) Delayed funding from the National Government through capitation.

Risk Mitigation Strategies

- 5) Strict enforcement of the fees payment policy
- 6) Enhancing debt collection measures
- 7) Enforcement of the 100% payment on admission or on reporting back in a new term
- 8) The college contracted trained security officers for enhanced security services
- 9) Continued advocacy to source development and infrastructural funding.

**MARKET RISKS**

These are losses due to factors that affect the overall performance of market including:

- 1) Risk of not attracting enough trainees due to the competition from other TVET colleges in the region
- 2) Risk of failing to get enough specialist trainers to act as thematic leaders due to their level of experience and financial constraints.

Risk Mitigation strategies:

- 1) Aggressive marketing of programs
- 2) Enhance the diversity and quality of the College programs
- 3) Enhancing the staff working environment and improving staff welfare
- 4) Lobby the PSC to employ more trainers
- 5) Periodical capacity building of the college staffs

**CAPITAL RISKS**

The College is not exposed to any capital risks.

**LIQUIDITY RISK**

This is termed to be the inability to meet short term financial demands. This usually occurs due to the inability to convert assets like debts to cash.

Risk Mitigation strategies:

- 1) Step up efforts to collect the outstanding fees and sensitize the trainees on alternative sources of funding like NG CDF bursaries, HELB loan/bursaries,

**MATERIAL ARREARS IN STATUTORY AND OTHER FINANCIAL OBLIGATIONS**

The College has no material arrears in statutory and financial obligations to the national exchequer or any other Government agency.

The College does not have any cases of financial improbity as reported by Audit committee, external auditors, or other National Government Agencies providing oversight.

There are no governance issues among the members of the board, college top management team, including conflict of interest. This has been due to the cordial working relationship between the Ndia Technical and Vocational College board and the top management as well as adherence to constitutional requirements and guidelines.

#### **IX. Environmental and Sustainability Reporting Statement**

**Innovation and technology-** the college has put a lot of effort in sustainability related R&D in order to reduce environmental impacts in new products and in business activities of training. The college uses BAT (best available techniques) and integrated environmental technologies, we concentrate on cleaner production and zero-emission technologies.

**Collaboration** – the college maintained a good level of cooperation and active collaboration with various stakeholders which included suppliers, TVET institutions, universities and others working in common programs and networks on innovative products and technologies. Exchange of information and knowledge through conferences

**Knowledge management** – the college have planned, developed, organized, maintained, transferred, applied and measured specific knowledge and to improve the organizational knowledge base.

**Processes-** Clear processes and roles are defined so that college activities are efficiently conducted and that every employee knows Procurement - the college has established a transparent competitive procurement process coupled with timely payment for the goods and services which have strengthen their good Relationship with the college.

**Sustainability reporting** – the college maintained Considerable reporting of sustainability issues within the board meeting reports.

**Environmental performance** - This dimension deals with environmental impacts due to corporate activities. These environmental impacts are caused by resource use and emissions into air, water, ground and hazardous waste. This dimension is mainly measured by impacts, but within corporate sustainability strategies the focus has to be laid on the effects causing these impacts, e.g., the higherthe maturity levels are the more it has to be concentrated on causes rather than on effects.

**Emissions into the air-** Emissions into the air due to corporate activities the college does not emit

**Ndia Technical and Vocational College**

**Annual Report and Financial Statements for the year ended 30th June 2022**

any pollution to air as we are training and not manufacturing.

**Employee welfare:**

**Corporate governance-** Transparency in all its activities in order to restructure relationship towards its stakeholders. During the financial year, the college recruited staff using the laid down recruitment procedures. This was done through the guidance of public service commission who give insight into all relevant data; following rules of on recruitment of the corporate governance and defining responsibilities and behavior of the board.

**Staff Motivation and incentives** – this is an Active involvement and exemplary function of management on sustainability of all the Employees Being Aware of their needs, claims and motivation factors of employees in order to implement sustainability sufficiency into the organization due to support of management for acting in sustainable way (e.g. time, money, resources). The management Developed and implemented incentives and reward systems (monetary and non-monetary).

**Health and safety** – the college guarantee that no health and safety risks occur when working in/for the college. No negative impact of employees' physical health at any time was reported.

The college has Operation of programs for employees to prevent dangers and to stay generally fit and healthy.

**Human capital development** - Development of human capital for sustainability related issues through specific programs is key to any organization. The college has sponsored staff to various seminars and workshops and also allowed others join holiday classes. The college has also encouraged Broad cross-working education (job enrichment, job enlargement) for staff in order to become aware of the different challenges and issues of corporate sustainability.

**Market place practices-**

a) **Responsible competition practice.**

The college practices responsible competition by following normal procedure of marketing. The college has developed an anti-corruption policy and non-political adherence

b) **Responsible Supply chain and supplier relations**

The college has list of suppliers who were prequalified through advertisement. The policy of the college is to pay all the bills at the end of every month and this has created a good rapport with her suppliers and service providers

## **Ndia Technical and Vocational College**

### **Annual Report and Financial Statements for the year ended 30th June 2022**

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#### **c) Responsible marketing and advertisement**

The college carries out normal marketing through media and organized talks.

#### **d) Product stewardship.**

Trainees trained in Ndia Technical & Vocational College are competently prepared emotionally, intellectually and spiritually. They are equipped with hands on skills and technology to make a difference in this generation and generations to come. The Ndia TVC is committed to offering the best and top-quality training.

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

Ndia TVC being a public entity embraces the policy of Corporate Social Responsibility (CSR) through engaging herself with the following amongst many social responsibilities:

#### **(a) Charitable Activities**

The College trainees have been offering material & spiritual support to needy children in various children homes within Ndia region through donation of foodstuffs and cloths

#### **(b) Communities outreach activities**

The college sought to benefit the community and not only improve its economic activities -but also uplift the health and the well-being of people around it to attain the country's Universal Health. Universal Health Coverage (UHC) concept is firmly based on WHO constitution of 1948 declaring health a fundamental Human right. H.E President Uhuru Kenyatta reaffirmed the objective of Kenyan constitution through the Big Four Agenda Where Affordable Health Care is a pillar. The College has also been offering both social and economic support to the external community through provision of casual labor opportunities and supplies wherever such opportunities arise.

#### **(c) Environmental Improvement activities**

Introduction of communal periodical cleaning day at Kagio Town has been one of the environmental activities of the college. Within the year, the college planted over 3,000 tree seedlings along its periphery and other ornamental trees along pathways. In order to increase the forest cover, the college donated several types of trees to local communities, churches and school.

#### **(d) Academic Mentorship**

Ndia TVC in conjunction with local churches was involved in offering career advice to students within and around Ndia Sub County during the 2021/22 financial year. The College also offered internship and industrial attachment to qualified youths from the surrounding community and Institutions.

**Ndia Technical and Vocational College**

**Annual Report and Financial Statements for the year ended 30th June 2022**

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**X. Report of the Council/Board of Governors**

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of Ndia Technical and Vocational College affairs.

**Principal activities**

The principal activity of the college is to offer technical & vocational training.

**Results**

The results of the entity for the year ended June 30 2022 are set out above.

**Council/Board of Governors**

The members of the Board /Council who served during the year are as shown above. During the year one director resigned and two were appointed with effect from 24<sup>th</sup> May 2022.

**Auditors**

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

By Order of the Board



.....  
**Secretary of the Board/Council**

**Nairobi**

**Date:**



**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**XI. Statement of Board of Governors/ Council's Responsibilities**

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

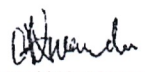
The board members are responsible for the preparation and presentation of the college financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the college; (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 college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for the college financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The board members are of the opinion that the college financial statements give a true and fair view of the state of college transactions during the financial year ended June 30, 2022, and of the college financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college financial statements as well as the adequacy of the systems of internal financial control.

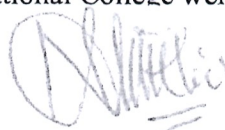
Nothing has come to the attention of the board members to indicate that the college will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The financial statements of Ndia Technical and Vocational College were approved by the Board on \_\_\_\_\_ and signed on its behalf by:

  
.....

**Name**  
**Chairperson of the Board/Council**

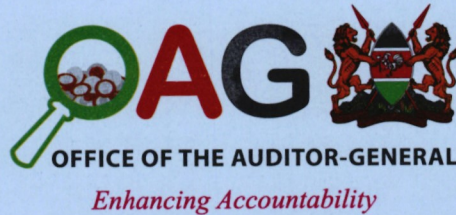
  
.....

**Name**  
**Accounting Officer/Principal**



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P.O. Box 30084-00100  
NAIROBI

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

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Ndia Technical and Vocational College set out on pages 1 to 44, which comprise the statement of financial position as at 30 June, 2022, the statement of financial performance, statement of changes in net assets, statement of cash flows, and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the

provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

## **Basis for Qualified Opinion**

### **1.0 Inaccuracies in the Financial Statements**

Review of the statement of financial performance and statement of cash flows reflects depreciation and amortization balance of Kshs.18,144,959 which is at variance with the prior year comparative balance of Kshs.18,240,304 resulting to an unexplained variance of Kshs.95,345. Further, the statement of financial performance reflects government grant opening balance of Kshs.6,575,000 which is erroneously referenced as Note 37 instead of Note 6 to the financial statements.

In addition, the statement of changes in net assets reflects an opening evaluation reserve balance of Kshs.221,371 which is at variance with the prior year comparative nil balance resulting to an unexplained variance of Kshs.221,371. Further, several balances reflected in the statement of changes in net assets differed with balances reflected in the statement of financial position as detailed below:

<b>Item</b>	<b>Balance as per Statement of Financial Position (Kshs.)</b>	<b>Balance as per Statement of Changes in Net Assets (Kshs.)</b>	<b>Variance (Kshs.)</b>
Revenue Reserves	(25,072,760)	-	25,072,760
Capital Reserves	184,912,682	-	184,912,682
Revaluation Reserve	-	(9,879,254)	9,879,254
Retained Earnings	-	(40,036,701)	40,036,701

The statement of changes in net assets also reflected a total negative balance of Kshs.49,907,761 while the recalculated total was a negative balance of Kshs.49,915,955 resulting to an unreconciled difference of Kshs.8,194. Further, the statement of comparison of budget and actual amounts reflects actual balances which are at variance with those reflected in the statement of financial performance as analyzed below:

<b>Item</b>	<b>Balance as per Statement of Financial Performance (Kshs.)</b>	<b>Balance as per Statement of Comparison of Budget and Actual Amounts (Kshs.)</b>	<b>Variance (Kshs.)</b>
Compensation of Employees	2,617,864	2,398,114	219,750
Use of Goods and Services	8,780,415	8,982,240	(201,825)

<b>Item</b>	<b>Balance as per Statement of Financial Performance (Kshs.)</b>	<b>Balance as per Statement of Comparison of Budget and Actual Amounts (Kshs.)</b>	<b>Variance (Kshs.)</b>
Administrative Expenses	-	12,437,822	(12,437,822)
Reconciliation Discrepancies	-	17,925	(17,925)

The material variances have not been explained as required by the reporting template prescribed by the Public Sector Accounting Standards Board (PSASB). Further, the detailed approved budget, budget reallocation minutes, procurement plan and work plans were not provided for audit.

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

## 2.0 Un-Supported Balances

The financial statements had component balances amounting to Kshs.9,944,455 which were not supported with documentation as shown below:

<b>Items</b>	<b>Amount (Kshs.)</b>	<b>Missing Documents</b>
Use of Goods and Services (Various Items)	8,982,240	The amount was not supported with fuel orders, LPO's, fuel registers, requisitions, work tickets, work tickets, invitation letters, designations and job group of payees, payment rates, program of activities, attendance registers and back to office report
Remuneration of Directors (Various Items)	962,215	The amount was not supported with detailed signed payment schedules, notices to the meetings, signed attendance sheets, minutes of committee meetings held and monitoring and evaluation reports and other reports
<b>Total</b>	<b>9,944,455</b>	

Further, the statement of financial position reflects receivables from exchange transactions, trade payables and payables from exchange transactions balances of Kshs.5,732,739, Kshs.525,000 and Kshs.(985,988) respectively. However, the balances were not analyzed and supported with the aged analysis and the ledger.

In the circumstances, the accuracy and completeness of the respective financial statement components' balances could not be confirmed.

## 3.0 Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.150,837,501 as disclosed in Note 29 to the financial statements. However, the balance was not supported with a detailed asset register, assets count or inventory report, additions schedules and assets ownership documents. Further, physical verification and available records revealed that unquantified computer accessories, furniture and fittings, loose tools, equipment's, machinery, and intangible assets

(software's) among other assets with undetermined value were excluded from the property, plant and equipment balance of Kshs.150,837,501. Further, the assets were not tagged and there was no evidence of asset count and valuation or evidence that the assets had been insured accordingly. In addition, a copy of logbook for motor vehicle GKB 539U was not provided.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.150,837,501 could not be ascertained.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1.0 Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.23,626,200 and Kshs.18,471,331 respectively resulting to an underfunding of Kshs.5,154,869 or 22% of the budget. Further, total expenditure budget amounted to Kshs.23,626,200 against actual expenditure of Kshs.41,009,778 resulting to an unapproved over expenditure of Kshs.17,383,578. This is contrary to Regulation 44(2) of the Public Finance Management (National Government) Regulations, 2015 which states that National Government entities shall execute their approved budgets based on the annual appropriation legislation, and the approved annual cash flow plan with the exception of unforeseen and unavoidable spending dealt with through the contingencies fund, or supplementary estimates.

Management should review its budget making process with a view of formulating a realistic budget that would be actualized for service delivery as per the College mandate and provide services to the students and other stakeholders.

#### **2.0 Unresolved Prior year Matters**

In the report of the previous year, several issues were raised under Report on the Financial statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, although the Management has indicated that some of the issues have been resolved, a few others have remained unresolved as at 30 June, 2022. No reasons were provided for the delay in resolving the outstanding issues.

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## **Conclusion**

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

### **1.0 Irregularities in Procurement**

The statement of financial performance reflects payments totalling Ksh.8,780,415 in respect of use of goods and services as disclosed in Note 15 to the financial statements. However, review of the procurement process, contracts and payment vouchers revealed the following anomalies.

#### **1.1 Procurement of Good and Services Not in the Procurement Plan**

The College procured students guidance and counseling consultancy service at cumulative cost of Kshs.219,500. However, the procurement was not factored in the annual procurement plan. This was contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall prepare an annual procurement plan which is realistic in a format set out in the regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process.

#### **1.2 Unsupported Procurements**

Included in the expenditure of Ksh.8,780,415 under use of goods and services was an amount of Ksh.562,860 incurred on procurement of practical materials and student welfare services. However, procurement documents such as quotations, tender opening and evaluation reports were not provided for audit.

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

### **2.0 Staff Related Matters**

#### **2.1 Lack of Approved Staff Establishment**

Review of the College's human resource documents revealed that the College did not have an approved staff establishment. This was contrary to the Ministry of Education: State Department of Vocational and Technical Education Circular Ref No: MST/DTE/1/1 dated 12 July, 2019 on staff establishment and justification for Technical and Vocational Education and Training (TVET) Institutions, which requires the institutions to develop a staff establishment with, clear justifications for consideration and approval by the Public Service Commission.

In the circumstances, Management was in breach of staff establishment policy guidelines.

## **2.2 Lack Staff Ethic Diversity**

Review of staff data provided for audit revealed that the College had seventeen (17) staff on permanent terms and ten (10) Board of Governors staff both teaching and non-teaching staff. However, twenty (20) or 77% staff members were from the dominant community contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community.

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

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

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

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **1.0 Lack of Internal Audit Function**

The College had not established an Internal Audit Unit as required under Section 73(1) (a) of the Public Finance Management Act, 2012 which stipulates that the entity should ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. The Internal Audit Unit would have performed various roles stipulated by Section 73(3) of the Public Finance Management Act, 2012 including risk assessment, putting in place a risk register and assessing the internal controls mechanism.

In the circumstances, the effectiveness of internal assurance on governance, internal control and risk management could not be confirmed.

##### **2.0 Lack of a Procurement Function**

During the year under review, the Management had not put in place a procurement function including recruitment of a procurement officer to assist in preparation of procurement documents, giving professional opinion on procurement and providing guidance on general adherence to procurement laws. The procurement of goods and services was done without use of tender documents including quotations, tender registers, tender opening and evaluation reports and notification of award. Failure to establish a procurement function is a contravention of Section 45(1) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the effectiveness of the procurement process could not be confirmed.

### **3.0 Non-Establishment of an Audit Committee**

The College had not established an Audit Committee as required by Section 73(5) of the Public Finance Management Act, 2012 which stipulates that every national government public entity shall establish an Audit Committee whose composition and functions shall be as prescribed by the regulations. The Audit Committee would have performed various functions stipulated by Section 175 of Public Finance Management (National Government) Regulations, 2015 including supporting the Accounting Officer with regard to their responsibilities for issues of risk, control and governance and associated assurance but the responsibility over the management of risk control and governance processes remains with the Management of the concerned entity and follow up on the implementation of the recommendations of internal and external audits.

In the circumstances, oversight and overall governance of the College could not be confirmed.

### **4.0 Lack of a Finance and Accounting Policy Manual**

The College has not developed a finance and accounting manual to guide Management in processing financial transactions. This is contrary to Section 68 (2)(e) of the Public Finance Management Act, 2012 which states that an Accounting Officer for a National Government entity is accountable to the National Assembly for ensuring that all applicable accounting and financial controls, systems, standards, laws and procedures are followed when procuring or disposing of goods, adequate arrangements are made for their custody, safeguarding and maintenance'.

In the circumstances, effectiveness of the finance and accounting internal control mechanisms could not be confirmed. Management was also in breach of the law.

### **5.0 Lack an ICT Policy**

Audit of the Institute's ICT environment revealed that there was no formal approved ICT policies in place including Data Security Policy and Disaster Recovery Plans. Further, the College ICT structure was not provided for audit. In addition, during the year under review, the College did not have an Information Technology (IT) Steering Committee for ensuring effective IT controls and strategies.

In the circumstances, the security and reliability of the College data including its management and controls of the information systems could not be confirmed.

### **6.0 Lack of an Asset Management System**

Regulation 139(1b) of the Public Financial Management (PFM) Regulations, 2015 requires that the Accounting Officer of a government entity to take full responsibility and ensure that proper control systems exist for assets and that movement for and conditions of assets can be tracked. It was however observed that the College did not maintain a complete asset register, assets have not been tagged and as a result making it difficult for the Management to manage its assets efficiently.

In the circumstances, the effectiveness of the assets' control systems could not be confirmed. Management was also in breach of the law.

## **7.0 Failure to Insure College's Assets**

The statement of financial position for the year ended 30 June, 2022 reflects property, plant and equipment valued at Kshs.150,837,501. However, review of documents provided for audit revealed that the College had not been insured its assets contrary to paragraph 91(1) of The National Treasury Guidelines on Asset and Liability Management in the Public Sector dated March, 2020.

In the circumstances, the College may suffer a risk of irreparable loss in case of unforeseen eventualities resulting to loss of assets.

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accruals Basis) and for maintaining 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 its 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 its 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 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in

compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

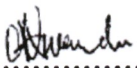
14 June, 2023

**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**XIII. Statement of Financial Performance for the year ended 30 June 2022**

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>For the year ended 30th June 2022</b>			
	<b>Note</b>	<b>Jun-22</b>	<b>Jun-21</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Revenue from Non-Exchange Transactions</b>			
<b>Government Grant</b>	37	-	6,575,000
<b>Revenue from Exchange Transactions</b>			
<b>Rendering of services</b>	10	18,471,331	8,918,231
<b>Total Revenue</b>		18,471,331	15,493,231
<b>Expenses</b>			
<b>Use of Goods and Services</b>	15	8,780,415	12,071,206
<b>Employee Cost</b>	16	2,617,864	1,204,264
<b>Remuneration of Directors</b>	17	962,215	274,000
<b>Depreciation and Armotization</b>	18	15,930,222	18,144,959
<b>Repairs and Maintenance</b>	19	281,240	1,722,390
<b>Total Expenses</b>		28,571,956	33,416,819
<b>Surplus/(Loss) before Tax</b>		(10,100,625)	(17,923,588)

The Financial Statements were signed by:

  
 .....

**Chairman of Council/Board**

  
 .....

**Finance Officer**

**ICPAK**

**No(ASSOC/4103)**

**Date 16/05/23**

  
 .....

**Principal**

**Date**

**16/05/23**



Ndia Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2022

XIV. Statement of Financial Position as at 30th June 2022

STATEMENT OF FINANCIAL POSITION			
As at 30th June 2022			
	Note	Jun-22	Jun-21
CURRENT ASSETS		Kshs	Kshs
Cash and Cash Equivalents	26	2,808,694	3,019,044
Receivables from exchange transactions	27	5,732,739	1,226,457
<b>CURRENT ASSETS</b>		<b>8,541,433</b>	<b>4,245,501</b>
<b>NON-CURRENT ASSETS</b>			
Property and Equipment	29	150,837,501	166,767,723
<b>TOTAL NON-CURRENT ASSETS</b>		<b>150,837,501</b>	<b>175,258,725</b>
<b>CURRENT LIABILITIES</b>			
Trade Payables	33	525,000	706,750
Payables from exchange transactions		(985,988)	365,927
<b>NET CURRENT LIABILITIES</b>		<b>- 460,988.00</b>	<b>1,072,677.00</b>
<b>NET CURRENT ASSETS</b>		<b>9,002,421</b>	<b>3,172,824</b>
<b>NET ASSETS</b>		<b>159,839,922</b>	<b>169,940,547</b>
<b>ACCUMULATED RESERVES</b>			
Revenue Reserves		(25,072,760)	(14,972,135)
Capital Reserves		184,912,682	184,912,682
<b>TOTAL RESERVES AND LIABILITIES</b>		<b>159,839,922</b>	<b>169,940,547</b>

The Financial Statements were signed by:



Chairman of Council/Board



Finance Officer

ICPAK

No(ASSOC/4103)

Date 16/05/23



Principal

Date

16/05/23



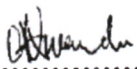
Date 16/05/23


**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**XV. Statement of Cash Flows for the year ended 30 June 2022** Note 35

	Jun-22	Jun-21
	Kshs	Kshs
<b>Cash generated from operations</b>		
Surplus/(deficit) for the year before tax	(10,100,625)	(17,923,588)
<b>Adjustment for Non-Cash transactions</b>		
Depreciation and Amortization	15,930,222	18,144,959
<b>Net Cash flows from operating activities before changes in working capital</b>	<b>5,829,597</b>	<b>221,371</b>
<b>Changes in Working Capital</b>		
Decrease/(Increase) in Receivables	(4,506,282)	(602,137)
(Decrease)/Increase in payables	181,750	173,566
<b>Net Change in Working Capital</b>	<b>(4,324,532)</b>	<b>(428,571)</b>
<b>Net Cash flows from operating Activities</b>	<b>1,505,065</b>	<b>443,699</b>
<b>Cash flows from investing activities</b>		
Purchasing of Non-Current Assets	-	-
<b>Net cash generated from (used in) Investing Activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from Financing Activities</b>		
Increase (Decrease) in Capital Grant		
<b>Net cash generated from (used in) Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Increase/(decrease) in Cash &amp; Cash Equivalents</b>	<b>(210,350)</b>	<b>(167,200)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>3,019,044</b>	<b>3,186,244</b>
<b>Cash and Cash equivalents at the end of the Year</b>	<b>2,808,694</b>	<b>3,019,044</b>

The Financial Statements were signed by:

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

  
 .....  
**Finance Officer**  
 ICPAK  
 No(ASSOC/4103)

  
 .....  
**Principal**

**Date** 16/05/2023

**Date** 16/05/23

**Date** 16/05/23



**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**XVI. Statement of Changes in Net Assets for the year ended 30 June 2022**

<b>Description</b>	<b>Revaluation reserve</b>	<b>Fair value adjustment reserve</b>	<b>Retained earnings</b>	<b>Capital/Development Grants/Fund</b>	<b>Total</b>
<b>At July 1, 2020</b>	<b>At June 30, 2021</b>				
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive deficit	- 17,923,588	-	-14,972,135	-	-32,895,723
Capital/development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortization from capital fund to Retained earnings	18,144,959	-	-	-	18,144,959
<b>At June 30, 2021</b>	<b>221,371</b>		<b>14,972,135</b>		<b>14,750,764</b>
<b>At July 1, 2021</b>	<b>221,371</b>	-	<b>-14,972,135</b>	-	<b>-14,750,764</b>
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive deficit	- 10,100,625	-	-25,064,566	-	- 35,156,997
Capital/development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
<b>At June 30, 2022</b>	<b>-9,879,254</b>	-	<b>- 40,036,701</b>	-	<b>- 49,907,761</b>

**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

**XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Transfers from other govt entities and govt grants		2,040,000	2,040,000	-	-2,040,000	-100%
Govt Financing	2,000,000	2,500,000	4,500,000	-	-4,500,000	-100%
Rendering of services- fees from students	14,370,820	2,715,380	17,086,200	18,471,331	1,385,131	7%
<b>Total Income</b>	<b>16,370,820</b>	<b>7,255,380</b>	<b>23,626,200</b>	<b>18,471,331</b>	<b>-5,154,869</b>	<b>-28%</b>
<b>Expenses</b>						
Compensation of employees	1,382,000	979,320	2,361,320	2,398,114	36,794	2%
Use of goods and services	6,168,922	-1,920,291	4,248,631	8,982,240	4,733,609	53%
Finance costs	-	-	-	-	-	
Administrative expenses	7,793,898	7,282,351	15,076,249	12,437,822	-2,638,427	-21%
Remuneration of directors	514,000	676,000	1,190,000	962,215	-227,785	-24%
Depreciation and Amortization	-	-	-	15,930,222	15,930,222	100%
Repairs and Maintenance	512,000	688,200	750,000	281,240	-468,760	-167%
Infrastructure Financing	-	-	-		-	
Reconciliation Discrepancies	-	-	-	17,925	17,925	100%
<b>Total Expenditure</b>	<b>16,370,820</b>	<b>7,255,380</b>	<b>23,626,200</b>	<b>41,009,778</b>	<b>17,383,578</b>	<b>42%</b>
<b>Surplus For the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-22,538,447</b>	<b>-22,538,447</b>	<b>100%</b>

**Ndia Technical and Vocational College**

**Annual Report and Financial Statements for the year ended 30th June 2022**

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**XVIII. Notes to the Financial Statements**

**1. General Information**

Ndia Technical and Vocational College is established by and derives its authority and accountability from the TVET Act of 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is technical & vocational training.

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

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

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

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

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

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

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.**

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

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.**

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>Not relevant to Ndia Technical and Vocational College for the FY ended June 30, 2022.</i></p>

**Ndia Technical and Vocational College**

**Annual Report and Financial Statements for the year ended 30th June 2022**

Standard	Effective date and impact:
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</li> </ul> <p><b>Not relevant to Ndia Technical and Vocational College for the FY ended June 30, 2022.</b></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><b>Not relevant to Ndia Technical and Vocational College for the FY ended June 30, 2022)</b></p>
<p>Other improvements to IPSAS</p>	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul>

**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

Standard	Effective date and impact:
	<p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b> Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul> <p><i>Not relevant to Ndia Technical and Vocational College for the FY ended June 30, 2022.</i></p>
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><i>Not relevant to Ndia Technical and Vocational College for the FY ended June 30, 2022.</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>Not relevant to Ndia Technical and Vocational College for the FY ended June 30, 2022.</i></p>

**iii. Early adoption of standards**

Ndia Technical and Vocational College did not early-adopt any new or amended standards in year 2022.

#### **4 Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

###### **Transfers from other government entities**

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

##### **i) 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 labor hours incurred to date as a percentage of total estimated labor hours.

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

###### **Sale of goods**

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

###### **Interest income**

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

###### **Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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

**a) Revenue recognition (Continued)**

**ii) Revenue from exchange transactions**

**(continued) Rental income**

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

**b) Budget information**

The original budget for FY 2021/2022 was approved by the Council or Board on **29th July 2021**. There was no subsequent revisions or additional appropriations made to the approved budget in the year ended 30<sup>th</sup> June 2022.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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 under section 5 of these financial statements.

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes as per the ***Income Tax Act***.

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

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

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

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

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

**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.

However, during the financial year ending June 30, 2022, Ndia Technical and Vocational College didn't not have any investments on properties.

**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 of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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

4

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

**f) Leases**

During the financial year ending June 30, 2022, Ndia Technical and Vocational College didn't hold any assets under lease.

**g) Intangible assets**

During the financial year ending June 30, 2022, Ndia Technical and Vocational College didn't hold any intangible assets.

**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:

- a. The technical feasibility of completing the asset so that the asset will be available for use or sale
- b. Its intention to complete and its ability to use or sell the asset
- c. How the asset will generate future economic benefits or service potential
- d. The availability of resources to complete the asset
- e. 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.

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

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

**i) Financial instruments**

***Financial assets***

***Initial recognition and measurement***

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

***Held-to-maturity***

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

***Impairment of financial assets***

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

Notes to the Financial Statements (Continued)

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

**i) Financial instruments (Continued)**

*Financial assets (Continued)*

*Impairment of financial assets (Continued)*

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

*Financial liabilities*

*Initial recognition and measurement*

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

*Loans and borrowing*

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**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:

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

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

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

**Inventories (Continued)**

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

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

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

**k) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

***Contingent liabilities***

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

***Contingent assets***

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

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

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

**l) Nature and purpose of reserves**

The College did not maintain reserves for the Financial year ending June 30, 2022.

**m) 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.

**n) Employee benefits**

**Retirement benefit plans**

Ndia Technical and Vocational College did not have any Retirement Benefit plans for its employees nor the directors

**o) 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.

**p) 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.

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

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

**q) 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.

**r) 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.

**s) 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 imprest and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**t) Comparative figures**

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

**u) Subsequent events**

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

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

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

### **Estimates and assumptions**

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

### **Useful lives and residual values**

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

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

### **Provisions**

Provisions were raised and management determined an estimate based on the information available.

**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**  
**Notes to the Financial Statements (Continued)**

**6 Transfers from other National Government entities**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Unconditional Grants</b>		
Capitation Grants	5,445,000	4,575,000
Operational Grant	-	2,000,000
Other Grants	-	-
	<b>5,445,000</b>	<b>6,575,000</b>
<b>Conditional Grants</b>		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
<b>Total Government Grants and Subsidies</b>	<b>5,445,000</b>	<b>6,575,000</b>

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

<b>Name Of The Entity Sending The Grant</b>	<b>Amount recognized to Statement of Comprehensive Income Kshs</b>	<b>Amount deferred under deferred income Kshs</b>	<b>Amount recognized in capital fund.</b>	<b>Total grant income During the year</b>	<b>2020-2021</b>
			<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Ministry of education /State Department technical & vocational training- <b>Capitation</b>	5,445,000	-	-	5,445,000	4,575,000
Ministry of education /State Department technical & vocational training - <b>Operational grants</b>	-	-	-		2,000,000
<b>Total</b>	<b>5,445,000</b>	<b>-</b>	<b>-</b>	<b>5,445,000</b>	<b>6,575,000</b>

**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**  
**Notes to the Financial Statements (Continued)**

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

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Other Grants	-	-
<b>Total Grants from Development Partners</b>	<b>-</b>	<b>-</b>

**Reconciliations of grants from donors and development partners**

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

Ndia TVC didn't receive any conditional grants from development partners.

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

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

**9. Public Contributions and Donations**

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

Ndia TVC didn't receive any revenue of this nature during the financial year ended June 30, 2022.

**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

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

**10. Rendering of Services**

<b>Rendering of Services</b>	<b>Jun-22</b>	<b>Jun-21</b>
	<b>Kshs</b>	<b>Kshs</b>
Outstanding Fees Collected	-	-
Activity Fund	642,421	20,850
Administration Cost	879,900	229,625
Bursary	-	35,000
Casual	437,500	72,420
Total Computer Fees	15,000	-
Computer Maintenance	377,100	27,813
Electricity, Water & Conservancy	2,058,980	161,766
Industrial Attachment	31,500	-
Examination	149,890	431,556
HELB	-	2,060,400
Insurance	188,930	14,420
KUCCPS	110,000	-
Local Transport and Travel	576,750	121,497
Personnel Emoluments	805,800	279,390
Practical Materials	2,396,150	119,466
Registration Fee	23,400	-
Repairs, Maintenance & Improvements	474,350	65,941
Student Identity Card	105,600	5,300
Student Uniform	132,000	21,900
Student Union	39,000	-
Student Welfare	201,120	19,926
Tuition SES	6,144,500	5,230,961
TVETA Board	39,500	-
<b>Total Students Fees &amp; Charges</b>	<b>18,471,331</b>	<b>8,918,231</b>

**11. Sale of Goods**

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

Ndia Technical and Vocational College didn't accrue any revenue from the sale of goods for the financial year ended June 2022

**Ndia Technical and Vocational College**  
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**12 Rental revenue from facilities and equipment**

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

Ndia Technical and Vocational College didn't accrue any revenue from rent of facilities and equipment for the financial year ended June 2022.

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

**13. Finance Income**

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

Ndia Technical and Vocational College didn't accrue any finance revenue for the financial year ended June 2022.

Vocational College

**Annual Report and Financial Statements for the year ended 30th June 2022**

Notes to The Financial Statements (Continued)

14. Other income

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

Ndia Technical and Vocational College didn't accrue any other income as classified above for the financial year ended June 2022.

Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2022  
 Notes to The Financial Statements (Continued)

15. Use of Goods

Use of Goods	Jun-22	Jun-21
	Kshs	Kshs
Administrative Expenses	752,200	2,114,924
Catering, & Hospitality	401,695	0
Covid 19	2,000	0
Electricity	762,137	65,200
Examination Fees -KNEC	-	504,760
Fuel ,Oil & Gas	106,650	0
Games & Sports Expenses	576,430	0
Hire Charges	19,500	0
Industrial Attachment Cost	35,000	9,985
Insurance - Trainees	33,717	0
Internet Expenses	227,902	0
KATTI Participation Fees	236,880	0
Local Travel and transport	699,470	1,272,145
Marketing /Advertising Expenses	446,974	0
Postage	7,725	0
Practical Materials	711,704	926,165
Printing & Stationery	506,444	0
Professional & Consultancy	137,500	0
Security Services	550,000	286,100
Skills Development Costs	448,580	0
Student Uniforms	140,400	0
Student welfare	360,724	2,980
Subscriptions -KATTI	144,440	0
Subsistence Allowance	388,258	0
Teaching & Learning Materials	837,762	0
Telephone & Airtime	99,625	0
Water	109,843	0
Bank Charges	36,855	
Activity Expense	-	390,850
Bursary	-	23,000
Capitation	-	3,875,000
HELB	-	1,683,200
Tuition	-	916,897
<b>Total Use of Goods</b>	<b>8,780,415</b>	<b>12,071,206</b>

Ndia Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2022

16. Employee Costs

Employee Cost	Jun-22	Jun-21
	Kshs	Kshs
Basic Salary	2,369,314	923,414
NHIF		33,400
NSSF Pension Contribution	28,800	24,000
Casual Wages	219,750	223,450
<b>Total</b>	<b>2,617,864</b>	<b>1,204,264</b>

17. Board/Council Expenses

Directors Cost	Jun-22	Jun-21
	Kshs	Kshs
Board Induction Expenses	209,500	-
Board PAYE	138,215	-
Sitting Allowance	614,500	274,000
<b>Total</b>	<b>962,215</b>	<b>274,000</b>

**Ndia Technical and Vocational College**

**Annual Report and Financial Statements for the year ended 30th June 2022**

**18. Depreciation and Amortization expense**

<b>Depreciation and Amortization</b>	<b>Jun-22</b>	<b>Jun-21</b>
	<b>Kshs</b>	<b>Kshs</b>
Building Depreciation	964,904	984,595
Equipment Depreciation	14,665,318	16,760,364
Motor Vehicle Depreciation	300,000	400,000
<b>Total</b>	<b>15,930,222</b>	<b>18,144,959</b>

**19. Repairs and Maintenance**

<b>Repairs and Maintenance</b>	<b>Jun-22</b>	<b>Jun-21</b>
	<b>Kshs</b>	<b>Kshs</b>
Repairs and Maintenance	281,240	65,941
<b>Total</b>	<b>281,240</b>	<b>65,941</b>

**20. Contracted Services**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
<b>Total contracted services</b>	<b>-</b>	<b>-</b>

**21. Grants and Subsidies**

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

**22. Finance Costs**

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

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Ndia TVC didn't have any of the costs as indicated above.

**23. Gain On Sale of Assets**

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

**24. Unrealized Gain on Fair Value Investments**

<b>Description</b>	<b>2021-2022 Kshs</b>	<b>2020-2021 Kshs</b>
Investments at Fair Value	-	-
<b>Total Gain</b>	-	-

**25. Impairment Loss**

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

**Ndia Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2022**

**26. Detailed Analysis of Cash and Cash equivalents**

<b>Cash and Cash Equivalent</b>	<b>Jun-22</b>	<b>Jun-21</b>
	<b>Kshs</b>	<b>Kshs</b>
KCB	2,792,056	2,999,513
Petty Cash	16,638	19,531
<b>Total</b>	<b>2,808,694</b>	<b>3,019,044</b>

**27. Receivables from Exchange transactions**

<b>Receivables from Exchange Transactions</b>	<b>Jun-22</b>	<b>Jun-21</b>
	<b>Kshs</b>	<b>Kshs</b>
Fees arrears	-	1,226,457
Account Receivables	5,732,739.00	-
<b>Total</b>	<b>5,732,739.00</b>	<b>1,226,457</b>

**28. Investments**

Ndia TVC didn't have any investments in the FY ending June 30, 2022.

**d) Shareholding in other entities**

Ndia TVC didn't have any shareholding in other entities in the FY ending June 30, 2022.

**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**  
**Notes to the Financial Statements (Continued)**

**29. Property, Plant and Equipment**

Non-Current Assets: Property & Equipment						
COST (Kshs)	Building	Motor Vehicle	Furniture and Meeting	Plant and Equipment	Total	
01 July 2020 (b/fwd)	-		-	-	-	
Additions	49,229,772	1,600,000	-	134,082,910	184,912,682	
Disposals	-	-	-	-	-	
Transfer/Adjustments	-	-	-	-	-	
<b>30th June 2021 c/fwd</b>	<b>49,229,772</b>	<b>1,600,000</b>	<b>-</b>	<b>134,082,910</b>	<b>184,912,682</b>	
01 July 2021 (b/fwd)	49,229,772	1,600,000	-	134,082,910	184,912,682	
Additions	-	-	-	-	-	
Disposals	-	-	-	-	-	
Transfer/Adjustments	-	-	-	-	-	
<b>30th June 2022 (c/fwd)</b>	<b>49,229,772</b>	<b>1,600,000</b>	<b>-</b>	<b>134,082,910</b>	<b>184,912,682</b>	
<b>DEPRECIATION</b>						
01 July 2020 (b/fwd)	-	-	-	-	-	
Depreciation	984,595	400,000	-	16,760,364	18,144,959	
Disposals	-	-	-	-	-	
Impairment	-	-	-	-	-	
Transfer/Adjustments	-	-	-	-	-	
<b>30th June 2020 (c/fwd)</b>	<b>984,595</b>	<b>400,000</b>	<b>-</b>	<b>16,760,364</b>	<b>18,144,959</b>	

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01 July 2021 (b/fwd)	984,595	400,000	-	16,760,364	18,144,959
Depreciation	964,904	300,000	-	14,665,318	15,930,222
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
<b>30th June 2022 - c/fwd</b>	<b><u>1,949,499</u></b>	<b><u>700,000</u></b>	<b>-</b>	<b><u>31,425,682</u></b>	<b><u>34,075,181</u></b>
<b>NET BOOK VALUES</b>					
<b>30 June 2021 - c/fwd</b>	<b>984,595</b>	<b>400,000</b>	<b>-</b>	<b>16,760,364</b>	<b>18,144,959</b>
<b>30 June 2022 - c/fwd</b>	<b>47,280,273</b>	<b>900,000</b>	<b>-</b>	<b>102,657,228</b>	<b>150,837,501</b>

**Ndia Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2022**

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

**30. Valuation**

Ndia TVC land has not been valued nor has documents of title been acquired hence its value was not recognized in the financial statement for the Financial Year ending June 30, 2022. However, following the government initiatives and communication through circulars, Ndia TVC has since paid Kes. 44,200 aimed at land survey and titling in the financial year ending June 30,2022. Buildings were valued at their historical accumulated cost of putting the block by the mentoring institute. The value of the plant, equipment and motor vehicle were based on the price provided by the Ministry of Education in foreign currency (USD 1,233,481.00). Their prices were converted into Kenyan shilling s using the prevailing exchange rate at the time of receipt of kshs.110 per USD.

**31 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 Depreciation</b>	<b>NBV</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Land	-	-	-
Buildings	49,229,772	1,969,191	47,280,273
Plant And Machinery	134,082,910	31,425,682	102,657,228
Motor Vehicles including Motorcycles	1,600,000	700,000	900,000
Computers and Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
<b>Total</b>	<b>184,912,682</b>	<b>34,094,873</b>	<b>150,987,001</b>

**Ndia Technical and Vocational College**

**Annual Report and Financial Statements for the year ended 30th June 2022**

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

**32. Investment Property**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
<b>At end of the year</b>	-	-

Ndia TVC didn't have any intangible investment property for the FY ended June 30, 2022.

**33. Trade and Other Payables from Exchange transactions**

<b>Payables from Exchange Transactions</b>	<b>Jun-22</b>	<b>Jun-21</b>
	<b>Kshs</b>	<b>Kshs</b>
Account Payable	525,000	525,000
Prepaid Fees		181,750
<b>Total</b>	<b>525,000</b>	<b>706,750</b>

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

**34. Deferred Income**

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

The deferred income movement is as follows:

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

Analyzed as:

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

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

**35. Employee Benefit Obligations**

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

**Retirement benefit Asset/ Liability**

Ndia TVC does not operate a retirement benefit scheme.

**Ndia Technical and Vocational College**  
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**Notes to the Financial Statements (Continued)**

Ndia TVC contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 400 per employee per month.

**36. Cash generated from operations**

	<b>Jun-22</b>	<b>Jun-21</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Cash generated from operations</b>		
Surplus/(deficit) for the year before tax	(10,100,625)	(17,923,588)
<b><u>Adjustment for Non-Cash transactions</u></b>		
Depreciation and Amortization	15,930,222	18,144,959
<b>Net Cash flows from operating activities before changes in working capital</b>	<b>5,829,597</b>	<b>221,371</b>
<b><u>Changes in Working Capital</u></b>		
Decrease/(Increase) in Receivables	(4,506,282)	(602,137)
(Decrease)/Increase in payables	181,750	173,566
<b>Net Change in Working Capital</b>	<b>(4,324,532)</b>	<b>(428,571)</b>
<b>Net Cash flows from operating Activities</b>	<b>1,505,065</b>	<b>443,699</b>
<b>Cash flows from investing activities</b>		
Purchasing of Non-Current Assets	-	-
<b>Net cash generated from (used in) Investing Activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from Financing Activities</b>		
Increase (Decrease) in Capital Grant		
<b>Net cash generated from (used in) Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Increase/(decrease) in Cash &amp; Cash Equivalents</b>	<b>(210,350)</b>	<b>(167,200)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>3,019,044</b>	<b>3,186,244</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>2,808,694</b>	<b>3,019,044</b>

### **37. Related Party Balances**

#### **Nature of related party relationships**

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

#### **Government of Kenya**

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

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

**Ndia Technical and Vocational College**  
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**Notes to the Financial Statements (Continued)**

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

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Transactions with Related Parties</b>		
<b>a) Sales to related parties</b>		
Sales of electricity to Govt. agencies		
Rent income from Govt. agencies		
Water sales to Govt. agencies		
Others		
<b>Total</b>		
<b>B) Purchases from related parties</b>		
Purchases of electricity from KPLC	762,137	65,200
Purchase of water from Govt. service providers	67,610	0.00
Rent expenses paid to Govt. agencies		
Training and conference fees paid to govt. agencies		
<b>Total</b>	<b>929,747</b>	<b>65,200</b>
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt.	5,445,000	6,575,000
Grants from County Government		
Donations in Kind		
<b>Total</b>	<b>5,445,000</b>	<b>6,575,000</b>
<b>c) Expenses incurred on behalf of related parties</b>		
Payments of Salaries and Wages for xx Employees		
Payments for Goods and Services		
<b>Total</b>		
<b>d) Key Management Compensation</b>		
Directors' emoluments	962,215	274,000
Compensation to Key Management		
<b>Total</b>	<b>962,215</b>	<b>274,000</b>

**38. Segment Information**

Ndia TVC did not do segmental reporting for the period ending June 2022.

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

**39. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Ndia TVC didn't not have any contingent Assets for the period ending June 30, 2022

**Contingent Liabilities**

Ndia TVC didn't not have any contingent liabilities for the period ending June 30, 2022

**40. Events After the Reporting Period**

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

**41. Ultimate and Holding Entity**

Ndia Technical and Vocational College is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**42. Currency**

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

Ndia Technical and Vocational College  
**Annual Report and Financial Statements for the year ended 30th June 2022**

XIX. Appendices  
**Appendix 1: Implementation Status of Auditor-General Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1. Inaccuracies in the financial statements	<p>1.1 Relating to the statement of comparison of budget and actual amounts                      Ksh. 184,912,682 was not factored for analysis.</p> <p>1.2 Statement of cash flows reflects nil balance for investment activities yet there were additions of Kshs. 184,912,682</p> <p>1.3 Statement of changes in assets reflects an unexplained variance of Ksh. 95,435.</p> <p>1.4 Statement of financial performance variances in the use of goods, remuneration of directors and</p>	<p>The inaccuracies have been corrected as appropriate</p>	Resolved responses for the audited FY 2020/2021	2021/2022

**Ndia Technical and Vocational College  
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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)
	depreciation and amortization.			
2. Unsupported Balances	<p>2.1 The anomalies relate to:</p> <ul style="list-style-type: none"> <li>• Use of goods and services</li> <li>• Employees cost</li> <li>• Remuneration of directors</li> <li>• Depreciation and amortization</li> <li>• Repairs and maintenance</li> <li>• Current portion of receivables from exchange transactions.</li> <li>• Trade and other payables</li> <li>• Capita/development grants</li> <li>• Cash and cash equivalents.</li> </ul> <p>3. Rendering of services</p> <ul style="list-style-type: none"> <li>• Supporting schedules were not provided for audit.</li> </ul>	The schedules relating to the items mentioned were provided for audit.	Not resolved	2022/2023

Ndia Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2022

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)
	<ul style="list-style-type: none"> <li>Included in this note is Bursaries and HELB.</li> </ul> <p>4. unsupported PPE Balances</p>			
3. Lack of Ownership documents	Unconfirmed ownership, valuations and completeness of PPE balances	Value and ownership of Ndia TVC PPE donated through the ministry and the mentor institution cannot be ascertained with documents of ownership. However, the college will engage in valuation to present fair values of the assets.	Not resolved	2022/2023
4. Budgetary control and performance	Over-expenditure of 104% could not be explained	The statement of comparison of budget and the actual for the FY 2020/2021 has been reconciled with the approved budget.	Resolved through management responses FY 2020/2021	2020/2021
5. Remuneration of directors	<p>5.1 Non-taxation of board members' allowances</p> <p>5.2 Unsupported payments of board members</p> <p>5.3 Non-gazettement of Board of directors not fully constituted</p> <p>5.5 Lack of board work plan</p>	Efforts are being put forward to collect the amounts of tax from the members. Moving forward, all board members' allowances are being taxed as appropriate.	Not resolved	2022/2023



**Ndia Technical and Vocational College**  
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**Appendix III- Inter-Entity Confirmation Letter**



**MINISTRY OF EDUCATION**  
**(STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING)**  
**NDIA TECHNICAL AND VOCATIONAL COLLEGE**

P. O. Box 4 -10230, SAGANA

Tel: **0799 906 614**

E-mail: [ndiatechnical@gmail.com](mailto:ndiatechnical@gmail.com)

Website: [www.ndiatvc.ac.ke](http://www.ndiatvc.ac.ke)



NDIA TECHNICAL AND VOCATIONAL COLLEGE

P. O. Box 4 -10230, SAGANA

Tel: 0799 906 614

Website: [www.ndiatvc.ac.ke](http://www.ndiatvc.ac.ke)

The State Department of Technical Education wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

**Ndia Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2022**

<b>Confirmation of amounts received by Ndia Technical and Vocational College as at 30<sup>th</sup> June 2022</b>							
Reference Number	Date Disbursed As at Bank statement Date	Amounts Disbursed by State Department of Technical Education (Kshs) 5,445,000.00 as at 30th June 2022				Amount Received by Ndia Technical and Vocational College (KShs) 5,445,000 as at 30 <sup>th</sup> June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
DTE/CAP 9/28(115)	22 <sup>nd</sup> Nov 2021	-	-	1,650,000	1,650,000	1,650,000	0
DTE/CAP 9/30(115)	25 <sup>th</sup> February 2022	-	-	1,650,000	1,650,000	1,650,000	0
DTE/CAP 9/33(119)	23 <sup>rd</sup> May 2022	-	-	2,145,000	2,145,000	2,145,000	0
<b>Total</b>		-	-	<b>5,445,000</b>	<b>5,445,000</b>	<b>5,445,000</b>	<b>0</b>

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

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



Name: Nicholas Muviri

Sign ..... Date .....



