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REPORT

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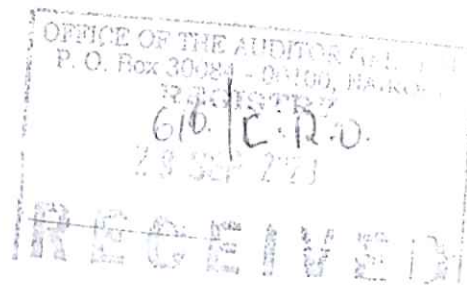
THE AUDITOR-GENERAL

ON

MSAMBWENI TECHNICAL AND
VOCATIONAL COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2023

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 08 MAR 2025	DAY: Thursday
TABLED BY:	Hon. Naomi Wazir MP Deputy Majority Whip
CLERK-AT THE-TABLE:	A. Shabaka



MSAMBWENI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

1. Acronyms & Glossary of Terms

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

Provide a list of Acronyms and glossary of terms used in the financial report as per above example. The list to be exhaustive)

2. Key Entity Information and Management

(a) Background information

Msambweni Technical and Vocational College was incorporated/established under the TVET Act on 1981 by the government to provide business and technical skills. The Institute is domiciled in Kenya in Kwale County, Msambweni town. The institute is under the Ministry of Education. The institute implements TVET- curriculum in all its fields as developed and examined by NITA and KNEC. Msambweni TVC is staffed by the Ministry of Education through the State Department of Vocational and Technical Training, Directorate of TVET.

The expansion and reforms witnessed in technical and vocational training has been necessitated by Kenya's objective of industrialization as contained in the Vision 2030 and the MDGs. For these to be realized, it is imperative to develop and effectively utilize the country's human, physical and financial resources. The Kenya Vision 2030 blue print recognizes human resource development as key to rapid development. Highly trained and flexible human resource that has the relevant knowledge and skills requires sustained and continuous Training and training of content developed and implemented in close consultation with industry.

(b) Principal Activities

The principal activity of the Institute is to train and equip trainees with modern technology for global market competition.

Vision Statement:

Technology is the key for innovation.

Mission Statement:

To train and equip trainees with modern technology for global market competition.

Core Values

- i. Uprightness and honesty:- Msambweni Technical and Vocational College will endeavor to promote uprightness and honesty in all undertakings with stakeholders and other interested parties.
- ii. Transparency and accountability:- The Msambweni Technical and Vocational College will promote transparency and accountability to its stakeholders through provision of adequate and timely reports and communication to the stakeholders.

Key Entity Information and Management (Continued)

- iii. **Integrity:-** Msambweni Technical and Vocational College employees shall conduct themselves in a manner that demonstrates high moral standards. The institute will promote high levels of integrity through implementation of relevant policies and ethical code of conduct
- iv. **Respect for change:-** Msambweni Technical and Vocational College will positively implement changes that will promote efficient and effective service delivery to the stakeholders
- v. **Prudent environmental management:-** Msambweni Technical and Vocational College shall manage its environment prudently and promote efficient utilization of the environmental resources for both the present and future generation
- vi. **Professionalism:-** All the staffs of Msambweni Technical and Vocational College upholding the requirements for professional conduct. The institute is committed to the highest levels of achievement obtainable through competence and pertinent skills.
- vii. **Respect for cultural diversity:-** The Msambweni Technical and Vocational College appreciates and respect the diversity of cultural heritage

Strategic Objectives

- i. To enhance the college corporate image
- ii. To increase financial sustainability
- iii. To provide adequate infrastructure for learning
- iv. To improve the Human Resource Capacity
- v. To fully Integrate ICT in college management
- vi. To improve teaching and learning
- vii. To develop responsible youth to contribute to national development

The Mandate and Functions of Msambweni Technical and Vocational College
Technical and vocational Training were established by the Government in 1980s to provide technical, vocational and entrepreneurship training (TVET) to young primary and secondary school graduates who could not transit to middle level Institutes and universities. Graduates from these college have been able to provide the much-needed skilled labour that is required to propel the country to industrialization.

Key Entity Information and Management (Continued)

The National Development Agenda identifies TVCs as one of the key drivers in the following areas: -

- i. Science Technology and Innovation – the development of the necessary scientific and technological infrastructure, as well as the technical and entrepreneurial skills is as essential prerequisite to the transformation of Kenya into knowledge-based society.
- ii. Education and Training – the provision of quality education, training and research for all Kenyans
- iii. Human Resource Development - there will be need to create a globally competitive and adoptive human resource base to meet the requirements of *Vision 2030*. This will be mainly achieved through increased training.
- iv. ICT – to develop a critical mass of human resource required to support the capacity of the ICT industry
- v. Gender and Youth development – integration and harmonization of issues affecting youth as well as promoting gender equity in training.

Mandate

Msambweni Technical and Vocational College derives its mandate from the following legal framework governing TVET and the Ministry:

- (i) The Constitution of Kenya
- (ii) The Education Act (Cap 211)
- (iii) The Higher Education Loans Board Act (Cap 213)
- (iv) The Industrial Training Act (Cap 237)
- (v) The Kenya National Examinations Council Act (Cap 225)
- (vi) The Local Government Act (Cap 265)
- (vii) The TVET act
- (viii) The PSC act

The above legal instruments have evolved over a period of time. In this regard, the Kenya Government through the Ministry of Higher Education, Science and Technology initiated and developed the National TVET Strategy (2007).

The mandate of Msambweni Technical and Vocational College is:

1. To produce morally upright, relevant, high quality and competitive graduates in the job market
2. To enhance the learning and working environment
3. To optimize utilization of human and physical resources in the institute
4. To increase capacity for training, research and consultancy services in line with changing technologies

Key Entity Information and Management (Continued)

(c) Key Management

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

- Governing board
- Accounting officer/Principal
- Deputy Principal
- Registrar
- Dean of students

(d) Fiduciary Management

The key management personnel who held office during the period ended 30th June, 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Samsen M. Onchangwa
2.	Deputy principal	Margaret Kigo
3.	Registrar (s)	David Muigai
4.	Dean of students	Alvanus Aron
5.	Head of Finance	Fatama Bege
6.	Head of Procurement	Joseph Orondo

(e) Fiduciary Oversight Arrangements

- Audit and Risk Management Committee
- Finance and General-Purpose Committee
- Academic Implementation Committee

(f) Entity Headquarters

Msambweni Technical and Vocational College
P.O. Box 11-80404
Msambweni- Kwale
KENYA

Key Entity Information and Management (Continued)

(g) Entity Contacts

Telephone: 0702944524/0755764544
E-mail: msambweniti@gmail.com

(h) Entity Bankers

Kenya Commercial Bank
Voi Branch
P.O. Box 137-80300
Voi, Kenya.





(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

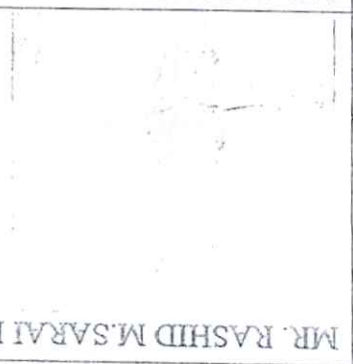
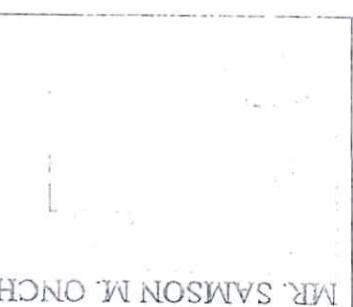
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya



3. The Council/Board of Governors

1.	 ZAHARANI HASSAN BWENGO	Name: Eng. Zaharani Hassan Bwengo Chairman of the board Age: 54 Position: Chairman of the Board Qualifications: BSc. Electrical Engineering Work Experience: Principal Terminal Engineer-Kenya Ports Authority
2.	 MR. PETER MWANGI	Name: Mr. Peter Mwangi DOB: 24/02/1966 Qualifications: BED, Masters in Education Administration Work Experience: He is the TVET county Director for Mombasa, Kwale and Taita Taveta. He is the representative of the PS Ministry of Education, State Department Vocational and Technical Training
3.	 MR. NYAKITI MARK JAMES	Name: Mr Nyakiti Mark James Age:32 Position: Member of the Board Bachelor of Science Work Experience: He is a Lecturer (Research & Consultancy) Kenya School of Government
4.	 MD. MWANAMKUU HAMISI	Name: Mwanamkuu Hamisi DOB: 20/05/1988 Position: Member of the Board. Qualifications: degree Work experience: Worked with the Kenya National Commission on Human Rights

Msambweni Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

5.	<p>MR. GIDEON GUYO KIDEGHO</p> 	<p>Name: Gideon Guyo Kidegho DOB: 09/09/1958 Position: Member of the Board Qualifications: Masters in Electrical engineering Work experience: Design and Installation work for Laboratory-Pan African University Institute of Science and Technology</p>
6.	<p>MR. JUMA KAMWENGA</p>  KAMANZA	<p>Name: Juma Kamwenga Kamanza Position: Member of the Board Qualifications: Masters Work Experience: Lecturer -Technical university of Mombasa</p>
7.	<p>MR. JOSEPH OMWENGA</p> 	<p>Name: Mr Joseph Omwenga Position: Member of the Board Qualifications: MBA-finance option. Work Experience: Accountant -Critical Consultancy Service.</p>
8.	<p>MR. SALIM MWAMAHABA</p> 	<p>Name: Mr. Salim R. Mwamahaba DOB: 24/12/1978 Position: Member of the Board-Governor's Nominee Qualifications: BSc. In Information Technology Work Experience: He is a teacher at Nngori Primary School</p>

<p>Name: Mr. Rashid M. Sarai D.O.B: 1984 Position: Member of the Board Qualifications: Bachelor of Science in I.T Work Experience: working with Bamburi Cement Ltd</p>		<p>9.</p>
<p>Name: Mr. Samson M. Onchangwa Position: Principal/Secretary of the Board Qualifications: Masters of commerce. Work Experience: Senior Trainer at Misambwemi TVC</p>		<p>10.</p>

5.	MD. FATUMA  O.BEGE	Name: Md. Fatuma O. Bege Position: Finance officer Qualification: CPA Part 3, Sec 5, Work experience: Currently recruited Accounts Clerk at Msambweni TVC
6.	MR. JOSEPH  ORONDO	Name: Mr. Joseph Orondo Position: Procurement office Qualification: Diploma in Procurement & Logistics. Work experience: Procurement officer since 2019 at Msambweni TVC

5. Chairman's Statement

On behalf of Msambweni Technical and Vocational College, am pleased to present to you Annual Reports and Financial statements for the year ended 30th June, 2023. Msambweni Technical and vocational college continues to deliver on its key mandate of provision of quality education, training and research.

The Institute projected to focus on increasing student's enrolments through marketing, improvement of infrastructure and human resource to support teaching, learning and research. In that spirit the institute is in its final stages of completing boys and girls hostels which is aimed at increasing enrolment and improvement of infrastructure.

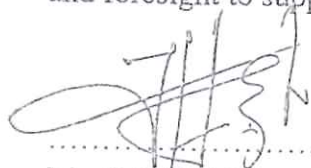
The government of Kenya has largely invested on technical and vocational training as a tool to address the shortage of artisan and technician who can handle areas requiring technological and innovative skills

Through various plans like vision 2030 and TVET act 2013 the Government places an important emphasis as a way of creating jobs and acquisition of hand on skills. The government has also realized that the big 4 agenda that is, Manufacturing, Proper and Cheap Housing, Agriculture and Food security cannot be realized unless Kenyan government adopt sustainable skills to deal with this menace

Msambweni TVC is one of the technical colleges in Kenya that is charged with this responsibility of training artisan and technician in mechanical, I.C.T, Electrical and Business-related courses. On behalf of B.O.G I wish to assure our trainee's staff and all partners that the Board will provide leadership and offer necessary advice in ensuring success in all spheres, be it allocation of required resources, in collaboration with the principal and the staff in general.

Through the institutes strategic plan for the five years;

I wish to acknowledge with gratitude the Government of Kenya for its goodwill and immense support. The Board of governors shall continue to provide the much needed resources, advice and foresight to support the Institute as it continues to implement its goals and objectives



Mr. Zahafani Bwengo
Chairman of the Board of Governors
Date ..25.09.2023



6. Report of the Chief/Senior Principal

Dear Stakeholders,

Msambweni Technical and Vocational College was incorporated/established under the TVET Act on 1981 by the government to provide business and technical skills. The Institute is domiciled in Kenya in Kwale County, Msambweni town. The institute is under the Ministry of Education. The institute implements TVET- curriculum in all its fields as developed and examined by NITA and KNEC. Msambweni TVC is staffed by the Ministry of Education through the State Department of Vocational and Technical Training, Directorate of TVET.

The expansion and reforms witnessed in technical and vocational training has been necessitated by Kenya's objective of industrialization as contained in the Vision 2030 and the MDGs. For these to be realized, it is imperative to develop and effectively utilize the country's human, physical and financial resources. The Kenya Vision 2030 blue print recognizes human resource development as key to rapid development. Highly trained and flexible human resource that has the relevant knowledge and skills requires sustained and continuous Training and re-training of content developed and implemented in close consultation with the industry.

The five years strategic plan (2021-2025) is a guideline on the way forward of attaining our goal/objective as BOG and administrators of TVET in general. Through various initiatives Msambweni TVC will endeavor itself in increasing enrolment, increasing courses offered and increasing infrastructure that is hostel, classes, workshop and perimeter wall. As a new technical college started in September, 2019, we are facing several problems. Msambweni TVC shall endeavor itself in providing market driven courses relevant courses through collaboration with the industry and other stakeholders. Msambweni TVC is registered by TVET and also accredited to Offers KNEC examinations in Mechanical, Electrical, ICT and Supply Chain Management. Msambweni TVC is also registered by NITA to offer welding and fabrication in grade 3 artisan and soon we will be accredited to offer electrical artisan.

Principal Activities

The principal activity of the Institute is to train and equip trainees with modern technology for global market competition.

Entity's compliance with statutory requirements

During the year under review, the Institute complied with all its statutory obligations including compliance with Public Procurement Regulations, remittance of PAYE, NHIF, NSSF, Pensions and HELB recovery within the stipulated deadlines. The Institute does not foresee any potential for contingent liabilities arising from non-compliance with statutory obligations.

Major Risks facing the entity

Msambweni Technical and Vocational College continues to face pressure on existing resources due to inadequate Teaching and learning infrastructure especially in engineering courses caused by the increase in student enrolment. The teacher and non-teaching staffs to students remains low, limited teaching and learning facilities, insufficient funds to meets all project activities.

Msambweni Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence.

As the principal, I take this opportunity to sincerely thank the Board of Governors, administrative staff, HODs for their efforts and commitment to the attainment of entity's goal. Lastly, I would like to appreciate the Government of Kenya through The National Treasury and The Ministry of Education for the support accorded to Msambweni Technical and Vocational College looking forward to your continued support.



Mr. Victor S. Mchana
Principal/Secretary of the BOG
Date...25/09/2023...



7. 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.

Msambweni Technical and Vocational College develops its annual work plans based on the 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Msambweni Technical and Vocational College achieved its performance targets set for the FY 2021/22 period for its 4 strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
1.	Human Resource development	To improve Human Resource Capacity	Number of staff engaged	Additional staff ,Employ more BOG staffs	Additional BOG staff employed
2.	ICT	To integrate ICT in institution management	ICT equipment purchased and installed	Purchase additional ICT equipment for the institution	ICT equipment purchased
3.	Education and Training	To improve Training and learning	Introduce new learning and training methods.	Build Capacity in new and modern methods of teaching	Modern Techniques adopted
4.	Gender and Youth	To develop responsible youth to contribute to national development	No of Drugs and substance Abuse /HIV/AIDs	Provision of information	Peer counselling

8. Corporate Governance Statement

Msambweni Technical and Vocational College is committed to the values and principles of good corporate governance as an integral part of corporate culture and guides the manner in which it's Governors, management, staffs and students conduct the business of the organization. As a public sector organization dedicated to providing quality services to its stakeholders, the institution's decision are guided by the core tenets prescribed in the Public Officers Ethics Act, The leadership and integrity Act

Roles and Functions of the Board

- i. Development of the institute
- ii. Management of the college finances
- iii. Appointment and employment of non- teaching staff.
- iv. Discipline of trainers and trainees
- v. Policy formulation

The Board size and Composition

Msambweni Technical and Vocational College Board of Governance is made up of 10 members from various fields;

Members

1. Mr. Zaharani Bwengo - Chairperson
2. Mr. Samson Onchangwa - Secretary
3. Mr. Mwangi Peter - Director TVET
4. Mr. Juma Kamanza - Member
5. Mr. Rashid Sarai - Member
6. Mr. Mark Nyakiti - Member
7. Md. Mwanamkuu Hamisi - Member
8. Md. Margaret Kigo
9. Mr. Joseph Omwenga - Member
10. Mr. Gideon Guyo - Member

Regulations Governing Conduct Of Board

- ❖ Set up committees to look into issues like Finance, Audit, Human Resource and Academics.
- ❖ Terms of office is 3 years
- ❖ Resignation is by writing a notice to appointing authority
- ❖ Meet atleast once every four months, which is thrice in a year.
- ❖ Committee can meet as much as possible
- ❖ Quorum of meetings is two thirds.
- ❖ Remuneration is paid in respect of service as determined by the approval of Board members and Cabinet Secretary. This also depends with institutions financial strength.

The following are Board Committees:

Name of the committee	Members
Academic Committee	1.Mr.Joseph Omwenga - Chairman 2.Md. Mwanamkuu Hamisi - Member 3.Mr.Rashid Sarai - Member 4.Mr.Peter Mwangi - Director TVET

Audit Committee	1. Mr. Mark James - Chairman 2. Mr. Gideon Kidegho - Member 3. Mr. Juma Kamwenga - Member 4. Mr. Peter Mwangi - Director TVET
Financial and Human Resource Committee	1. Md. Mwanamkuu Hamisi - Chair 2. Mr. Joseph Omwenga - Member 3. Mr. Rashid Sarai - Member 4. Mr. Peter Mwangi - Director TVET

9. Management Discussion and Analysis

The entity's operational and financial performance

The Institute continues to deliver on its key mandate of provision of quality education, training, and research.

Entity's compliance with statutory requirements

During the financial year under review, the Institute complied with all its statutory obligations including compliance with Public Procurement Regulations, remittance of PAYE, NHIF, NSSF within the stipulated deadlines. The Institute does not foresee any potential for contingent liabilities arising from non-compliance with statutory obligations.

Key projects and investment decisions the entity is planning/implementing.

Msambweni TVC soon going to enroll boarding students. We have two hostels –1 for boys and 1 for girls. The hostels were built by Msambweni NG-CDF fund and is almost complete.

Major risks facing the entity

Msambweni Technical and Vocational College continues to face pressure on existing resources due to inadequate Teaching and learning infrastructure especially in engineering courses caused by the increase in student enrolment. The teacher and non-teaching staffs to students remains low, limited teaching and learning facilities, insufficient funds to meets all project activities.

Poor fees payment.

Material arrears in statutory/financial obligations

The institute does not have any loan default, pending bill, outstanding obligations

The entity's financial probity and serious governance issues

During the year under review the Institute did not have any governance issues.

10. Environmental and Sustainability Reporting Statement
Msamabweni Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Sustainability strategy and profile
Msamabweni Technical and vocational College does not have any Sustainability Strategy and profile

Environmental performance
Msamabweni Technical and Vocational College did not engage in any environmental activities and does not have environmental policy. It's in the Process of developing an Environmental Policy.

Employee welfare
Msamabweni technical and Vocational College has no Employee Welfare but is considering establishing one in the near future.
Market place practices-

The organisation should outline its efforts to:

- a) Responsible competition practice.
Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.
- b) Responsible Supply chain and supplier relations - explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement - outline efforts to maintain ethical marketing practices.
- d) Product stewardship - outline efforts to safeguard consumer rights and interests.

Corporate Social Responsibility/Community Engagements
Msamabweni technical and Vocational College did not engage in any Community Engagements during the year ended 30th June, 2023.

11. Report of the Council/Board of Governors

The Council/Board members submit their report together with the Financial statements for the year ended June 30th, 2023, which show the state of Msambweni Technical and Vocational College affairs.

Principal activities

The principal activities of the Institute is to train and equip trainees with modern technology for global market competition.

Results

The results of the entity for the year ended June 30th 2023, are set out on page 20 - 25

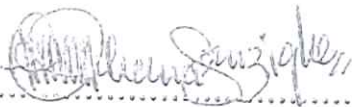
Council/Board of Governors

The members of the Board /Council who served during the year are shown on page xv.

Auditors

The Auditor General is responsible for the statutory audit of Msambweni Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of Msambweni Technical and Vocational College for the year ended June 30, 2023, 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


.....

Mr. Victor S. Mchana
Secretary of the Board/Council

Date: 25th, 09 - 2023



12. Statement of Board of Governors/ Council's Responsibilities

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

The board is responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of Msambweni Technical and Vocational College for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Msambweni Technical and Vocational College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board accepts responsibility for Msambweni Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Technical and Vocational Education and Training Act of 2013. The board is of the opinion that Msambweni Technical and Vocational College quarterly financial statements give a true and fair view of the state of the Institute's transactions during the Financial Year ended June 30th, 2023, and of the Institute's financial position as at that date. The board further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the Msambweni Technical and Vocational College financial statements as well as the adequacy of the systems of internal financial control.

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

Msambweni Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

The entity's financial statements were approved by the Board on _____ 2023 and signed on its behalf by:

ZBUTRANI BWEVUO

Name

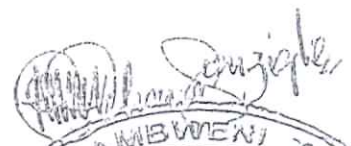
Chairperson of the Board/Council



VICTOR S. MCHANA

Name

Accounting Officer/Principal



REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MSAMBWENI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of set out on pages 1 to 57, which comprise the statement of financial position as at 30 June, 2023 and the statement of financial

performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by EJ & Associates LLP, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In my opinion, except for the possible effects 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 Msambweni Technical and Vocational College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Receivables from Exchange Transactions

The statement of financial position and Note 27 to the financial statements reflects receivables from exchange transactions balance of Kshs.6,221,929. The balance includes Kshs.1,413,720 and Kshs.4,808,209 in respect of current portion of receivables and long-term receivables from exchange transactions respectively. However, receivables relating to mentor institution totaling Kshs.2,535,622 was not supported by listing or documents.

In the circumstances, the accuracy, completeness and existence of receivables from exchange transactions balance of Kshs. 6,221,929 could not be confirmed.

2. Unsupported Inventories Balance

The statement of financial position and Note 29 to the financial statements reflects inventories balance of Kshs.409,220. However, the balance was not supported by an inventory listing and stock take report. Management confirmed that annual stock take was not conducted during the year under review hence it was not possible to confirm how the actual quantities and the reported values were determined.

In the circumstances, the accuracy and completeness of the inventories balance of Kshs.409,220 could not be confirmed.

3. Overstatement of Use of Goods and Services Expenses

The statement of financial performance and Note 15 to the financial statements reflect an expenditure of Kshs.4,212,652 in respect of use of goods and services. However, the

amount includes Kshs.169,600 relating to the financial year 2021/2022 erroneously reported as expenditure for the current financial year contrary to the accrual basis of accounting used to prepare the financial statements.

In the circumstances, the accuracy and completeness of the expenditure on use of goods and services of Kshs.4,212,652 could not be confirmed.

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

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. Except for the matters described in the basis of qualified opinion section, I have determined that there were no other key audit matters to report in the year under review.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Expenses of the Board of Directors

The statement of financial performance and Note 17 to the financial statements reflects an expenditure of Kshs.315,020 in respect of board /council expenses. However, review of personal files revealed that all board of directors upon appointment did not sign acceptance letter, five directors did not submit their academic certificates and all board members did not declare conflict of interest in respect to any of the board meetings held during the year. Further, education, human resource and development and audit and risk committees did not hold any meeting during the year contrary to Paragraph A (2) of circular No. OP/CAB.9/1A of March 11, 2020 which provides that board meetings be restricted to a minimum of four (4) and capped at a maximum of six (6) for each year.

In addition, Management did not levy and remit taxes on the allowances paid to the board members to the Kenya Revenue Authority as required by the Income Tax Act, Cap 470, which requires taxation of allowances exceeding Kshs.2000 per day.

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

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

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and the Board of Governors

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

In preparing the financial statements, the Management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial

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

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

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

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


FCPA Nancy Gathungu CBS
AUDITOR-GENERAL

Nairobi

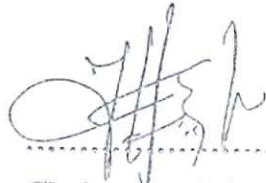
25 February, 2025

Misambweni Technical And Vocational College
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14. Statement of Financial Performance For The Year Ended 30th June, 2023

Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	6,935,000.00	5,862,940.00
Deferred government grants	7	15,624,725.60	15,545,229.62
Total Revenue From Non-exchange transactions	8	22,559,725.60	21,408,169.62
	9		
Revenue from Exchange transactions			
Rendering of services- fees from students	10	3,543,285.00	3,466,595.00
Sale of goods	11	-	-
Rental revenue from facilities and equipment	12	-	-
Finance income	13	-	-
Miscellaneous income	14	85,265.00	93,865.00
Revenue from Exchange transactions		3,628,550.00	3,560,460.00
Total Revenue		26,188,275.60	24,968,629.62
Expenses			
Use of goods and services	15	4,212,652.00	2,945,329.00
Employee costs	16	726,080.00	392,460.00
Board /Council Expenses	17	315,020.00	334,375.00
Depreciation and amortization expense	18	15,624,725.60	15,568,269.62
Repairs and maintenance	19	73,380.00	100,000.00
Contracted services	20	593,920.00	238,105.00
Grants and subsidies	21	-	-
Finance costs	22	-	-
Total Expenses		21,545,750.60	19,578,538.62
Other Gains/(Losses)			
Gain on sale of assets	23	-	-
Gain/ Loss on fair value of investments	24	-	-
Impairment loss	25	-	-
Total Other Gains/(Losses)			
Net surplus/(deficit) for the year		4,642,498.00	5,390,091.00

The Financial Statements set out on pages 2 to 57 were signed by:



Chairman of Council/Board



Finance Officer



Principal

Date 25.09.2023

Date 25/09/2023



Msambweni Technical And Vocational College
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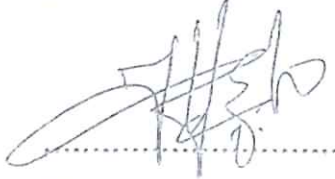
15. Statement of Financial Position As At 30th June, 2023

Assets			
Current Assets			
Cash and cash equivalents	26	424,243.80	698,746.00
Current portion of receivables from exchange transactions	27(a)	1,413,720.00	5,656,400.00
Receivables from non-exchange transactions	28	-	-
Inventories	29	409,220.00	-
Investments in financial assets	30	-	-
Total Current Assets		2,247,183.80	6,355,146.00
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	4,808,209.00	-
Investments	30	-	-
Property, plant, and equipment	31	148,644,303.53	164,214,211.37
Intangible assets	32	-	-
Biological Assets	34	-	-
Total Non-Current Assets		153,452,512.53	164,214,211.37
Total Assets		155,699,696.33	170,569,357.37
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	35	339,752.00	341,290.00
Refundable deposits from customers	36	18,000.00	23,000.00
Current provisions	37	-	xxx
Finance lease obligation	38	-	xxx
Deferred income	39	15,624,725.60	15,545,229.62
Employee benefit obligation	40	-	xxx
Payments received in advance	41	229,080.00	xxx
Current portion of borrowings	43	-	xxx

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Social Benefits	45	-	xxx
Total Current Liabilities		16,211,557.60	15,909,519.62
Non-Current Liabilities			
Finance lease obligation	38	-	-
Deferred income	39	133,019,577.93	148,576,821.75
Non-Current Employee Benefit Obligation	40	-	-
Non-Current Provisions	42	-	-
Non-Current Borrowings	43	-	-
Service Concession Liability	44	-	-
Social benefits	45	-	-
Total non-current liabilities		133,019,577.93	148,576,821.75
Total Liabilities		149,231,135.53	164,486,341.37
Net Assets			
Revaluation Reserves		-	0
Accumulated Surplus		5,769,815.00	5,390,091.00
Capital Fund		698,746.00	692,925.00
Total Net Assets and Liabilities		155,699,696.53	170,569,357.37

The Financial Statements set out on pages 2 to 57 were signed by:




Chairman of Council/Board



Finance Officer

ICPAK No



Principal

Date 25/09/23



Date 25/09/23

Date



16. Statement of Changes in Net Asset For The Year Ended 30 June 2023

Balance b/f nt July 1, 2021	-	-	692,925	692,925
Development Grants	-			-
Fair value adjustment on quoted investments				-
Total comprehensive income		5,390,091		5,390,091
Capital/Development grants received during the year				-
Transfer of depreciation/amortisation from capital fund to retained earnings				-
Balance c/d as at June 30, 2022	-	5,390,091	698,746	6,083,016
Balance b/f nt July 1, 2022	-	5,390,091	698,746	6,088,837
Development Grants				-
Fair value adjustment on quoted investments				-
Total comprehensive income		379,724		379,724
Capital/Development grants received during the year				-
Transfer of depreciation/amortisation from capital fund to retained earnings				-
Balance c/d as at June 30, 2023	-	5,769,815		6,468,561

17. Statement of Cash Flows For The Year Ended 30 June 2023

Cash flows from operating activities		
Receipts		
Transfers from other National Government entities	3,143,000.00	2,342,500.00
Grants from donors and development partners	-	-
Transfers from other levels of government	-	-
Refundable deposits	18,000.00	23,000.00
Rendering of services- fees from students	2,400,285.00	2,975,335.00
Sale of goods	-	-
Rental revenue from facilities and equipment	-	-
Finance income	-	-
Miscellaneous income	85,265.00	93,865.00
Total Receipts	5,646,550.00	5,434,700.00
Payments		
Use of goods and services	4,212,652.00	2,732,199.00
Employee costs	726,080.00	379,500.00
Board /Council Expenses	315,020.00	334,375.00
Repairs and maintenance	73,380.00	100,000.00
Contracted services	593,920.00	238,105.00
Grants and subsidies	-	-
Total Payments	5,921,052.00	3,784,179.00
Net Cash Flows from operating activities	(274,502.00)	1,650,521.00
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets	-	-
Proceeds from sale of property, plant and equipment	-	-
Net cash flows used in investing activities	-	-

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Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		(274,502.00)	1,650,521.00
Cash and Cash equivalents at 1 JULY	26	698,746.00	692,925.00
Cash and Cash equivalents at 30 JUNE	26	424,243.80	698,746.00

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023

Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	8,000,000.00	-	8,000,000.00	3,143,000.00	4,857,000.00	0.392875
Rendering of services- fees from students	9,874,000.00	-	9,874,000.00	2,503,550.00	7,370,450.00	0.25354973
Total Income	17,874,000.00	-	17,874,000.00	5,646,550.00	12,227,450.00	0.31590858
Expenses						
Use of goods and services	14,270,800.00	-	14,270,800.00	4,212,652.00	10,058,148.00	0.29519382
Employee costs	1,225,200.00	-	1,225,200.00	726,080.00	499,120.00	0.59262161
Board /Council Expenses	700,000.00	-	700,000.00	315,020.00	384,980.00	0.45002857
Repairs and maintenance	1,210,000.00	-	1,210,000.00	73,380.00	1,136,620.00	0.06064463
Contracted services	468,000.00	-	468,000.00	593,920.00	(125,920.00)	1.26905983
Total Expenditure	17,874,000.00	-	17,874,000.00	5,921,052.00	11,952,948.00	0.3312662
Surplus For the Period	-	-	-	(274,502.00)	274,502.00	xxx%
Capital Expenditure	-	-	-	xxx	xxx	xxx%

19. Notes to the Financial Statements

1. General Information

Msambweni Technical and Vocational College is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to train and equip trainers with modern technology for global market competition.

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 Msambweni 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. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Relevant notes and impacts
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</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"> - 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; - Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and - 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. <p><i>(State the impact of the standard to the Entity)</i></p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</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"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

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Annual Report and Financial Statements for the year ended 30th June 2023

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

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

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

iii. Early adoption of standards

(The entity) did not early-adopt any new or amended standards in year 20xx./the entity adopted standard xx and xx. The impact of these standards on entity's financial statements is xx.*(amend appropriately)*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2022/2023 was approved by the Council or Board. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page xx under section xxx of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes.

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.

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

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

s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

6. Transfers from other National Government entities

Unconditional Grants		
Capitation Grants	4,935,000.00	3,862,940.00
Operational Grant	2,000,000.00	2,000,000.00
Total Government Grants and Subsidies	6,935,000.00	5,862,940.00

(a) Transfers from other Government entities (Categorized)

State Department of XX	XX	XX	XX	XX	XX
XX Ministry	XX	XX	XX	XX	XX
Total	XX	XX	XX	XX	XX

7. Grants from Donors and Development Partners

JICA- Research Grant	xxx	xxx
World Bank Grants	xxx	xxx
In-Kind Donations	xxx	xxx
Donations transferred to revenue-conditions met	xxx	xxx
Other Grants (specify)	xxx	xxx
Total Grants from Development Partners	xxx	xxx

(a) Reconciliations of grants from donors and development partners

Balance unspent at beginning of year	xxx	xxx
Current year receipts	xxx	xxx
Conditions Met - Transferred to Revenue	xxx	xxx
Conditions Yet To Be Met - Remain Liabilities	xxx	xxx

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Transfer from County XX	xxx	xxx
Transfer from XX University	xxx	xxx
Transfer from XX Institute	xxx	xxx
Total Transfers	xxx	xxx

9. Public Contributions and Donations

Public Donations	xxx	xxx
Donations from Local Leadership	xxx	xxx
Donations from Religious Institutions	xxx	xxx
Donations from Alumni	xxx	xxx
Other Donations	xxx	xxx
Total Donations and Contributions	xxx	xxx

(Provide brief explanation for this revenue)

10. Rendering of Services

Tuition Fees	1,143,000.00	1,438,300.00
Activity Fees	236,710.00	414,830.00
Industrial Attachment Fees	188,580.00	69,085.00
Examination Fees	303,240.00	358,710.00
E.W&C	236,205.00	111,550.00
L.T&T	201,570.00	288,380.00
Admission	7,000.00	47,400.00
Development	193,980.00	315,765.00
P.E	699,680.00	315,650.00
I.D	9,300.00	13,270.00
R.M.I	125,795.00	73,315.00
Student Council	56,015.00	20,340.00
B.E.S	5,000.00	-
Arrears	136,460.00	
Insurance	750.00	
Total Revenue from The Rendering of Services	3,543,285.00	3,466,595.00

Amount relates to revenue from rendering services

11. Sale of Goods

Sale of Books	xxx	xxx
Sale of Publications	xxx	xxx

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Sale of Farm Produce	XXX	XXX
Cafeteria sales	XXX	XXX
Other sales (specify)	XXX	XXX
Total Revenue from Sale of Goods	XXX	XXX

(Provide brief explanation for this revenue)

12. Rental revenue from facilities and equipment

Hire of Facilities and Equipment	XXX	XXX
Contingent Rentals	XXX	XXX
Operating Lease Revenue	XXX	XXX
Total	XXX	XXX

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

Notes to the Financial Statements (Continued)

13. Finance Income

Cash investments and fixed deposits	XXX	XXX
Interest income from treasury bills	XXX	XXX
Interest income from treasury bonds	XXX	XXX
Interest from outstanding debtors	XXX	XXX
Total finance income	XXX	XXX

14. Miscellaneous Income

Imprest recoveries	-	40,000.00
Practical fee	36,000.00	42,240.00
Income from sale of tender	8,000.00	4,000.00
Graduation fees	41,265.00	7,625.00
Total other income	85,265.00	93,865.00

Notes To the Financial Statements (Continued)

15. Use of Goods and Services

Teaching and learning materials	592,155.00	465,235.00
Industrial attachment costs	25,700.00	-
Electricity	30,500.00	31,375.00
Activity	511,000.00	665,725.00
L.T&T	1,339,980.00	867,400.00
Administration	606,948.00	140,901.00
Subsistence	-	149,100.00
Tender	4,000.00	
Examination fees	385,700.00	585,395.00
Student Council	7,200.00	
Marketing	19,900.00	
ID	32,850.00	
Fuel and oil	106,000.00	-
B.E.S	125,500.00	
Refreshments	57,580.00	
Stationeries	67,600.00	
Computer Tables	98,910.00	
Sports	13,840.00	
Fees Refund	44,000.00	
Internet expenses	63,789.00	40,198.00
Training expenses	22,000.00	-

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Airtime	57,500.00	
Total good and services	4,212,652.00	2,945,329.00

16. Employee Costs

Salaries and wages	610,610.00	333,060.00
Employee related costs - contributions to pensions and medical aids	115,470.00	59,400.00
Employee Costs	726,080.00	392,460.00

17. Board/Council Expenses

BOG Allowances	315,020.00	334,375.00
Total	315,020.00	334,375.00

18. Depreciation and Amortization expense

Property, plant and equipment	15,624,725.60	15,568,269.62
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	15,624,725.60	15,568,269.62

19. Repairs and Maintenance

Property	47,060.00	100,000.00
Furniture and fittings	6,320.00	-
Computers and accessories	20,000.00	-
Total Repairs and Maintenance	73,380.00	100,000.00

20. Contracted Services

Security guards	593,920.00	238,105.00
Investment valuations	-	-
Property valuations	-	-
Other (specify)	-	-
Total contracted services	593,920.00	238,105.00

21. Grants and Subsidies

Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Total Grants and Subsidies	-	-

22. Finance Costs

Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Total Finance Costs	-	-

23. Gain On Sale of Assets

Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

24. Gain/(loss) on Fair Value Investments

Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

25. Impairment Loss

Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

26. Cash and Cash Equivalents

Current Account	424,243.80	694,746.00
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	4,000
Total Cash and Cash Equivalents	424,243.80	698,746.00

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

a) Current Account			
Kenya Commercial Bank	1276994850	424,243.80	694,746.00
Sub- Total		424,243.80	694,746.00
Sub- Total		-	-
b) Others(<i>Specify</i>)		-	-
Cash in Hand		-	-
Sub- Total		-	4,000.00
Grand Total		424,243.80	698,746.00

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Current Receivables		
Student Debtors	1,413,720.00	1,334,880.00
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	1,413,720.00	1,334,880.00

Amounts relates to students debtors

27 (b) Long- term Receivables from Exchange transactions

Non-Current Receivables		
Refundable Deposits	18,000.00	-
Advance Payments	229,080.00	-
Public Organizations	-	-
Less: Impairment Allowance	-	-
Total	247,080.00	-
Students debtors	4,561,129.00	4,321,520.00
Total Non-Current Receivables	4,561,129.00	4,321,520.00
Total Receivables	4,808,209.00	

27 (c) Ageing Analysis of Receivables from Exchange transactions

	Current	% of total	Comparative FY	% of total
Less than 1 year	xxx	%	xxx	%
Between 1- 2 years	xxx	%	xxx	%
Between 2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total (a+b)	xxx	%	xxx	%

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

At the beginning of the year	4,808,209.00	4,321,520.00
Provisions during the year	1,413,720.00	1,334,880.00
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	6,221,929.00	5,656,400.00

28. Receivables from Non-Exchange transactions

Current Receivables		
Capitation Grants*	xxx	xxx
Transfers from Other Govt. entities	xxx	xxx
Undisbursed Donor Funds	xxx	xxx
Other Debtors (Non-Exchange Transactions)	xxx	xxx
Less: Impairment Allowance	(xxx)	(xxx)
Total Current Receivables	xxx	xxx

(*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

Notes to the Financial Statements (Continued)

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

	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	xxx	%	xxx	%
Between 1- 2 years	xxx	%	xxx	%
Between 2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total	xxx	%	xxx	%

Notes to the Financial Statements (Continued)

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

At the beginning of the year	xxx	xxx
Additional provisions during the year	xxx	xxx
Recovered during the year	(xxx)	(xxx)
Written off during the year	(xxx)	(xxx)
At the end of the year	xxx	xxx

29. Inventories

Consumable stores	409,220.00	xxx
Maintenance stores	-	xxx
Health Unit stores	-	xxx
Electrical stores	-	xxx
Cleaning Materials stores	-	xxx
Catering stores	-	xxx
Less: Impairment allowance	-	xxx
Total Inventories at lower of Cost and Net Realizable Value	409,220.00	xxx

30. Investments in financial assets

a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks		
Bank X	-	-
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (Specify)		
Equity/ Shares in Company Xxx	-	-
Sub- Total	-	-
Grand Total	-	-

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

d) Shareholding in other entities

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

	%	%	%	Kshs	Kshs	Kshs
Entity A	xxx	xxx	xxx	xxx	xxx	xxx
Entity B	xxx	xxx	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx	xxx	xxx

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 Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

At 1 July 2021	-	69,293,430.00	0	50,000.00	215,300.00	110,108,350.99	-	179,667,280.99
Additions	-	-	-	-	115,200.00	-	-	115,200.00
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
At 30th June 2022	-	69,293,430.00	-	50,000.00	330,700.00	110,108,350.99	-	179,782,480.99
Additions	-	-	-	98,910.00	-	-	-	98,910.00
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
At 30th June 2023	-	69,293,430.00	-	148,910.00	330,700.00	110,108,350.99	-	179,881,390.99
Depreciation And Impairment								
At 1 Jun 2022	-	-	-	-	-	-	-	-
Depreciation	-	1,732,335.75	-	6,250.00	66,140.00	13,763,543.87	-	15,568,269.62
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30 Jun 2022 (previous year)	-	67,561,094.25	-	142,660.00	264,560.00	96,344,807.12	-	164,313,121.37
Depreciation	-	1,689,027.36	-	17,832.50	52,912.00	12,043,100.89	-	13,802,872.75
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-

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At 30 th Jun 20XX (current year)	-	1,689,027.36	-	17,832.50	52,912.00	12,043,100.89	-	13,802,872.75
Net Book Values								
At 30 th Jun 2022 (previous year)	-	67,561,094.25	-	43,750.00	264,560.00	96,344,807.12	-	164,214,211.37
At 30 th Jun 2023 (current year)	-	65,872,066.89	-	124,827.50	211,648.00	84,301,706.23	-	150,510,248.62

Notes to the Financial Statements (Continued)

Valuation

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

31 (b) Property, Plant and Equipment at Cost

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

Land	xxx	xxx	xxx
Buildings	xxx	xxx	xxx
Plant And Machinery	xxx	xxx	xxx
Motor Vehicles including Motorcycles	xxx	xxx	xxx
Computers and Related Equipment	xxx	xxx	xxx
Office Equipment, Furniture, And Fittings	xxx	xxx	xxx
Total	xxx	xxx	xxx

32. Intangible Assets

Cost		
At beginning of the year	xxx	xxx
Additions	xxx	xxx
At end of the year	xxx	xxx
Additions—internal development	xxx	xxx
At end of the year	xxx	xxx
Amortization and impairment		
At beginning of the year	xxx	xxx
Amortization	xxx	xxx
At end of the year	xxx	xxx
Impairment loss	xxx	xxx
At end of the year	xxx	xxx
NEV	xxx	xxx

Notes to the Financial Statements (Continued)

33. Investment Property

At beginning of the year	xxx	xxx
Additions	xxx	xxx
Disposal during the year	(xxx)	(xxx)
Depreciation	(xxx)	(xxx)
Impairment	(xxx)	(xxx)
Gain or loss on fair value- if fair value is elected	xxx	xxx
At end of the year	xxx	xxx

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.) Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

34. Biological Assets

Cattle	xxx	xxx
Trees	xxx	xxx
Others (Specify)	xxx	xxx
Total	xxx	xxx

35. Trade and Other Payables

Trade payables	xxx	xxx
Fees paid in advance	xxx	xxx
Salary deductions	xxx	xxx
Third-Party Payments	xxx	xxx
Other Payables	xxx	xxx
Total Trade and Other Payables	xxx	xxx

38. Finance Lease Obligation

At the start of the year	xxx	xxx
Discount interest on Lease Liability	xxx	xxx
Paid during the year	(xxx)	(xxx)
At end of the year	xxx	xxx

Maturity Analysis

Year 1	xxx
Year 2	xxx
Year 3	xxx
Year 4	xxx
Year 5 and Onwards	xxx
Less: Unearned Interest	(xxx)
Total	xxx

Analysed as:

Current	xxx
Non- Current	xxx
Total	xxx

39. Deferred Income

National Government	xxx	xxx
International Funding Bodies	xxx	xxx
Public Contributions and Donations	xxx	xxx
Total Deferred Income	xxx	xxx

Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

	Kshs	Kshs	Kshs	Kshs
Balance brought forward	xxx	xxx	xxx	xxx
Additions during the year	xxx	xxx	xxx	xxx
Transfers to capital fund	(xxx)	(xxx)	(xxx)	(xxx)
Transfers to income statement	(xxx)	(xxx)	(xxx)	(xxx)
Other transfers	(xxx)	(xxx)	(xxx)	(xxx)
Balance carried forward	xxx	xxx	xxx	xxx

Include columns as needed for the various sources of income deferred.

Analysed as:

	Kshs
Current	xxx
Non- Current	xxx
Total	xxx

40. Employee Benefit Obligations

Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Non-Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Total Employee Benefits Obligation	xxx	xxx	xxx	xxx	xxx

Retirement benefit Asset/ Liability

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

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

Discount Rates	x%	x%
Future Salary Increases	x%	x%
Future Pension Increases	x%	x%
Mortality (Pre- Retirement)	x%	x%
Mortality (Post- Retirement)	x%	x%
Withdrawals	xx	xx
Ill Health	xx	xx
Retirement	xx years	xx years

Recognition of Retirement Benefit Asset/ Liability

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

The return on defined plan assets	xxx	xxx
Actuarial gains/ losses arising from changes in demographic assumptions	xxx	xxx
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	xxx	xxx
Actuarial gains and losses arising from experience adjustments	xxx	xxx
Others (specify)	xxx	xxx
Adjustments for restrictions on the defined benefit asset	xxx	xxx
Remeasurement of the net defined benefit liability (asset)	xxx	xxx

- b) Amounts recognised in the Statement of Financial Position

Present value of defined benefit obligations(a)	xxx	xxx
Fair value of plan assets(b)	(xxx)	(xxx)
Funded status(=a-b)	xxx	xxx
Restrictions on asset recognised	xxx	xxx
Others	xxx	xxx
Net asset or liability arising from defined benefit obligation	xxx	xxx

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

41. Payments received in advance.

Fees received in advance	xxx		xxx	
Others (Specify)	xxx		xxx	
Total	xxx		xxx	
	Current FY	% of the Total	Comparative FY	% of the Total
Ageing analysis:				
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total	xxx	%	xxx	%

42. Non-Current Provisions

Balance at the beginning of the year	xxx	xxx	xxx	xxx	xxx
Additional Provisions	xxx	xxx	xxx	xxx	xxx
Provision utilised	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Change due to discount and time value for money	xxx	xxx	xxx	xxx	xxx
Less: Current portion	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Total deferred income	xxx	xxx	xxx	xxx	xxx

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 36)

43. Borrowings

Balance at beginning of the year	xxx	xxx
External borrowings during the year	xxx	xxx
Domestic borrowings during the year	xxx	xxx
Repayments of external borrowings during the year	(xxx)	(xxx)
Repayments of domestic borrowings during the year	(xxx)	(xxx)
Balance at end of the year	xxx	xxx

43 a) Analysis of External and Domestic Borrowings

External borrowings		
Dollar denominated loan from 'xx organization'	xxx	xxx
Sterling pound denominated loan from 'yyy organization'	xxx	xxx
Euro denominated loan from 'zzz organization'	xxx	xxx
Domestic borrowings		
Kenya shilling loan	xxx	xxx
Total balance at end of the year	xxx	xxx

43 b) Breakdown of Long and Short-Term Borrowings

Short Term Borrowings(Current Portion)	xxx	xxx
Long Term Borrowings	xxx	xxx
Total	xxx	xxx

(NB: the total of this statement should tie to note 42 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

44. Service Concession Arrangements

Fair value of service concession assets recognized under PPE	xxx	xxx
Accumulated depreciation to date	(xxx)	xxx
Net carrying amount	xxx	xxx
Service concession liability at beginning of the year	xxx	xxx
Service concession revenue recognized	(xxx)	(xxx)
Service concession liability at end of the year	xxx	xxx

45. Social Benefit Liabilities

Health social benefit scheme	xxx	xxx
Unemployment social benefit scheme	xxx	xxx
Orphaned and vulnerable benefit scheme	xxx	xxx
People Living with disabilities benefit scheme	xxx	xxx
Elderly social benefit scheme	xxx	xxx
Bursary social benefits	xxx	xxx
Total	xxx	xxx
Current social benefits	xxx	xxx
Non- current social benefits	xxx	xxx
Total (tie to totals above)	xxx	xxx

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

Notes to the Financial Statements (Continued)

46. Cash generated from operations.

Adjusted for:		
Depreciation	xxx	xxx
Non-Cash grants received	(xxx)	(xxx)
Contributed assets	(xxx)	(xxx)
Impairment	xxx	xxx
Gains and Losses on Disposal of Assets	(xxx)	(xxx)
Contribution to provisions	xxx	xxx
Contribution to impairment allowance	xxx	xxx
Finance Income	(xxx)	(xxx)
Finance Cost	xxx	xxx
Working Capital Adjustments		
Increase in Inventory	(xxx)	(xxx)
Increase in Receivables	(xxx)	(xxx)
Increase in Deferred Income	xxx	xxx
Increase in Payables	xxx	xxx
Increase in Payments received in advance	xxx	xxx
Net Cash Flow from Operating Activities	xxx	xxx

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

Notes to the Financial Statements (Continued)

47. Financial Risk Management

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

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

(i) Credit risk

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

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

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

At 30 June 20XX (previous year)				
Receivables from exchange transactions	XXX	XXX	XXX	XXX
Receivables from non-exchange transactions	XXX	XXX	XXX	XXX
Bank balances	XXX	XXX	XXX	XXX
Total	XXX	XXX	XXX	XXX
At 30 June 20XX (current year)				
Receivables from exchange transactions	XXX	XXX	XXX	XXX
Receivables from non-exchange transactions	XXX	XXX	XXX	XXX
Bank balances	XXX	XXX	XXX	XXX
Total	XXX	XXX	XXX	XXX

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

Notes to the Financial Statements (Continued)

Financial risk management (continued)

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

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

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

(ii) Liquidity risk management

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

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

At 30 June 20XX (previous year)				
Trade Payables	xxx	xxx	xxx	xxx
Current Portion Of Borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Deferred Income	xxx	xxx	xxx	xxx
Employee Benefit Obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx
At 30 June 20XX (current year)				
Trade Payables	xxx	xxx	xxx	xxx
Current Portion Of Borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Deferred Income	xxx	xxx	xxx	xxx
Employee Benefit Obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

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

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

At 30 June 20XX			
Financial Assets (Investments, Cash, Debtors)	xxx	xxx	xxx
Liabilities			
Trade and Other Payables	xxx	xxx	xxx
Borrowings	xxx	xxx	xxx
Net Foreign Currency Asset/(Liability)	xxx	xxx	xxx

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

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

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

Sensitivity analysis

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

Management of interest rate risk

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

b) Interest rate risk

20xx	Euro	10%	xxx	xxx
20xx	Usd	10%	xxx	xxx
20xx	Euro	10%	xxx	xxx
20xx	Usd	10%	xxx	xxx

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

Foreign currency sensitivity analysis

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

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

iv) Capital Risk Management

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

Revaluation Reserve	XXX	XXX
Retained Earnings	XXX	XXX
Capital Reserve	XXX	XXX
Total Funds	XXX	XXX
Total Borrowings	XXX	XXX
Less: Cash and Bank Balances	(XXX)	(XXX)
Net Debt/(Excess Cash and Cash Equivalents)	XXX	XXX
Gearing	XX%	XX%

48. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

Notes to the Financial Statements (Continued)

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

Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	XXX	XXX
Rent income from govt. agencies	XXX	XXX
Water sales to govt. agencies	XXX	XXX
Others (specify)	XXX	XXX
Total	XXX	XXX
B) Purchases from related parties		
Purchases of electricity from kpic	XXX	XXX
Purchase of water from govt service providers	XXX	XXX
Rent expenses paid to govt agencies	XXX	XXX
Training and conference fees paid to govt. agencies	XXX	XXX
Others (specify)	XXX	XXX
Total	XXX	XXX
b) Grants /Transfers from the Government		
Grants from National Govt	XXX	XXX
Grants from County Government	XXX	XXX
Donations in Kind	XXX	XXX
Total	XXX	XXX
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	XXX	XXX
Payments for Goods and Services for XX	XXX	XXX
Total		
d) Key Management Compensation		
Directors' emoluments	XXX	XXX
Compensation to Key Management	XXX	XXX
Total	XXX	XXX

49. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

Notes to the Financial Statements (Continued)

50. Contingent Assets and Contingent Liabilities

Contingent Assets

Contingent Assets		
Insurance Reimbursements	xxx	xxx
Assets arising from determination of Court Cases	xxx	xxx
Reimbursable Indemnities and Guarantees	xxx	xxx
Others (<i>Specify</i>)	xxx	xxx
Total	xxx	xxx

Contingent Liabilities

Contingent Liabilities	xxx	xxx
Court Case Xxx against (<i>The Entity</i>)	xxx	xxx
Bank guarantees in favour of subsidiary	xxx	xxx
Contingent liabilities arising from Contracts including PPPs	xxx	xxx
Others (<i>Specify</i>)	xxx	xxx
Total	xxx	xxx

(Give details)

51. Capital Commitments

Authorised for	xxx	xxx
Authorised and Contracted for	xxx	xxx
Total	xxx	xxx

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)

Notes to the Financial Statements (Continued)

52. Events After The Reporting Period

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

53. Ultimate And Holding Entity

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

54. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Guidance Notes:

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

Name VEJOR S. MCHANKA
 Accounting Officer
 (Enter title of Head of entity)
 Date



Appendix II: Projects Implemented by (The Entity)

Projects

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

1									
2									

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

1									
2									
3									

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Appendix V: Reporting on Disaster Management Expenditure

Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments